

**CENTRAL SAVANNAH RIVER AREA  
REGIONAL DEVELOPMENT CENTER**  
AUGUSTA, GEORGIA



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FISCAL YEAR ENDED JUNE 30, 2003

## **PREAMBLE OF THE CSRA REGIONAL DEVELOPMENT CENTER**

**It is hereby affirmed that the local units of government in the CSRA have many common concerns that transcend their individual borders; the destinies of each unit rest with the interdependent actions of the family of local governments, which comprise the Central Savannah River Area. It is vital to retain local home rule while providing resources to meet area wide challenges beyond the capabilities of individual units; expansion of the concept of multi-county cooperation among units of local governments is an effective means of achieving this vital goal; and cooperation must be fostered in two ways, by strengthening the abilities of local governments to meet individual local needs and by developing an association of local government to meet common regional concerns.**

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FISCAL YEAR ENDED JUNE 30, 2003**

**Prepared by the  
Department of Finance and Administration**

**L. Mack Shealy, CPA, CGFM  
Chief Financial Officer**

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# **INTRODUCTORY SECTION**

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**December 15, 2003**

**The Honorable Horace Daniels, Chairman and  
Members of the Central Savannah River Area Regional Development Center  
and Citizens of the CSRA**

**Ladies and Gentlemen:**

**We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Central Savannah River Area Regional Development Center (the Center) for the fiscal year ended June 30, 2003. The Center's Department of Finance and Administration prepared this report. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with agency management. To the best of our knowledge and belief, the data as presented is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Center. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the Center's financial affairs have been included.**

**The report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section, which is unaudited, includes this transmittal letter, the Center's organizational chart, a list of the Center's executive staff, and principal officials and a location map. The financial section includes the general-purpose financial statements; combining and individual statements for the enterprise fund, internal service funds, trust fund, and supplementary schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information.**

**The Center is required to undergo an annual single audit in conformity with the provisions of the US Office of Management and Budget's 1997 Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to the A-133 audit, including the schedule of expenditures of federal awards, schedule of findings and questioned costs, and the independent auditors' reports on internal control and compliance with the applicable laws and regulations, are included in the single audit section of this report.**

## **BACKGROUND**

**The Center was established through the enactment of the Georgia State Planning Act of 1989, commonly known as House Bill 215. The Center, effective July 1, 1989, succeeded the former Central Savannah River Area Planning and Development Commission established in 1962. The Official Code of Georgia Annotated (OCGA) Section 50-8-31 et al provided for this succession and is the basis for the Center's existence. Membership in the Center is required for each municipality and county in the CSRA. The Center's membership consists of the fourteen counties and forty-three cities in east Georgia, known as the Central Savannah River Area (CSRA).**

With 5,795 square miles of land area in its jurisdiction, the CSRA RDC has a diverse group of constituents. The area consists of both urban and rural counties with the city of Augusta and Richmond and Columbia counties being predominantly urban. The fortunes of the Augusta urban area are tied closely to the fortunes of both the CSRA rural counties and the urban area in South Carolina.

The Center's board is responsible for establishing policy and direction. The objectives of the Center are to develop, promote, and assist in establishing coordinated and comprehensive planning in Georgia; to provide local governments on both an individual and regional basis with professional technical assistance to improve local government service programs; to provide professional technical assistance with the development, collection, compilation, and maintenance of a local information base and network; to manage those nonprofit corporations created by the Center in accordance with Georgia law for the operation of revolving loan programs and function as a certified development company; and to function as the designated Area Agency on Aging (AAA) for the CSRA, responsible for identifying the needs of older CSRA residents, planning and coordinating regional aging services, advocating on behalf of older persons in need, and contracting with a network of agencies to provide direct services to the elderly in the CSRA.

#### **REPORTING ENTITY**

The financial reporting entity (the Center) includes all the funds of the primary government (the Central Savannah River Area Regional Development Center as legally defined), as well as component units. The CSRA Resource Development Agency, Inc., CSRA Local Development Corporation, Inc., and CSRA Rural Lending Authority, Inc. all of which are separate legal entities, are all included as component units. Even though these legal entities do not meet the financial accountability criteria, as defined by Governmental Accounting Standards Board Statement 14, they are included because the nature and significance of their relationship with the primary government are such that exclusion would cause the Center's financial statements to be incomplete. The component units are discretely presented, meaning that they are reported in a separate column in the combined financial statements to emphasize they are legally separate from the Center. The component units are referred to collectively as the CSRA Development Companies.

#### **ECONOMIC CONDITION AND OUTLOOK**

With a projected 9% population growth to 502,290 residents by 2005, the Augusta metropolitan statistical area (MSA) ranks at 109 of the top U.S. metro areas in population and is Georgia's second largest in terms of population and jobs. The Augusta metropolitan area serves as the economic center of the CSRA. The Augusta MSA has a strong, stable economy, composed of: (1) an extensive base of manufacturers; (2) a core of technology-based employers; and (3) an expanding service sector. The diverse industrial base includes production of medical products, pharmaceuticals, golf carts, chemicals, industrial tools, and textiles among others.

The labor force for the fourteen counties comprising the CSRA for October 2002 consisted of 188,500 persons. The unemployment rate was 5.5% compared to 4.7% for the state. The October 2002 rate for ten of the fourteen counties exceeded the state rate. The unemployed represented 4.44% of the total October 2002 CSRA workforce. The per capita income of CSRA counties ranged from a low of \$15,607 to a high of \$22,861. Respectfully this represented 60.40% and 88.47% of the per capita income of Georgia. The population of the CSRA over 65 years of age represents 10.40% of the area's total population compared to 9.73% for Georgia.

At the center of the technology-based employers is the Savannah River Site (SRS), a U.S. Department of Energy (DOE) facility, which comprises a majority of the Augusta MSA

economy with over 13,000 employees. Health care is another technology-based employer in the region, employing more than 25,000 medical professionals. More than a dozen other major medical facilities are located in the region.

The availability of a high quality of education provides a significant contribution to the quality of life and commerce in any area. Each county in the state of Georgia maintains its own school district. A Superintendent, who is appointed by the Board of Education, administers the districts. Funding for K - 12 education is accomplished primarily through property taxes and supplemented by money collected from the Georgia Lottery. Programs to assist both gifted and disadvantaged students are available in the public school system. Among these programs are "Tech Prep," "gifted" and "magnet." The Augusta-Aiken MSA is a growing, young, diverse, educated, and upwardly mobile population. An area population of nearly half-a-million and a workforce of over 212,000 represents a strong and stable labor pool for the MSA.

Bolstered by nearly half a million residents, the area's economy as a whole is much like that of its health care sector: clean, high tech and well supplied with skilled workers. In addition to a strong sense of history and related attractions, Augusta offers a rich variety of sophisticated amenities including a vibrant arts community and a wealth of fine restaurants.

Augusta, located in the heart of the Southeast, is Georgia's second largest and second oldest city. Augusta has been listed in the top-ten best Southern cities for business (Entrepreneur Magazine) and rated as the second best place to live in Georgia and 111th in the nation. (Places Rated Almanac). These designations are based on a variety of factors including cost of living, transportation, higher education, job outlook, health care, the arts, recreation, and climate. Augusta has also been recognized for having the most affordable housing during the third quarter in 1998 (National Association of Home Builders) and a very affordable cost of living.

#### **Area Agency on Aging (AAA) HIGHLIGHTS FOR FY 2003**

The CSRA Area Agency on Aging (AAA) continued to work aggressively to meet the needs of older adults in the CSRA with a blend of technically enhanced regional strategy development and old-fashioned community teamwork. The CSRA Area Agency on Aging was designated in October of 1974, to provide and coordinate programs for older adults in the Central Savannah River Area. From the beginning, the goal of the Agency has been to assure maximum independence and enhance the quality of life for older persons through home and community-based services.

The AAA's primary activities include:

- Providing comprehensive information on home and community-based services available to older citizens in the CSRA,
- Connecting people to appropriate assistance solutions that fit their individual circumstances or needs,
- Protecting the rights of older people in our area,
- Working to improve the quality of life of our elderly citizens,
- Studying and assessing community needs,
- Funding relevant programs for projects designed to benefit older citizens, and
- Monitoring the programs that serve our elderly population to ensure that they address needs efficiently and effectively.

The AAA is responsible for monitoring and oversight of the Community Care Services program, with Medicaid client-benefit funding at \$9.9 million. The Community Care Services Program (CCSP) is an income-based Medicaid program that provides in-home

services to frail elderly and disabled individuals at risk for nursing home placement. During FY 2003, 1,137 clients received CCSP services that allowed them to remain as independent as possible in their own homes.

**SUMMARY OF SERVICES DELIVERED BY SUBCONTRACTORS  
FISCAL YEAR 2003**

Service	Units	Persons	Award
Adult Day Care	15,740	73	\$ 59,337
Adult Day Health	10,418	25	\$ 98,117
Respite In-Home	13,179	99	\$ 154,544
Material Aid	37,635	49,595	\$ 40,000
Information & Assistance	42,448	42,448	\$ 70,801
DHR Transportation	56,012	15,230	\$ 250,000
Mobile Day Care	446	8	\$ 12,632
Case Management	1,039	427	\$ 153,842
Community Public Education	130	388,082	\$ 10,000
Counseling	238	279	\$ 25,000
Health Promotion / Wellness	14,537	289	\$ 74,863
Home Delivered Meals	112,298	1,046	\$ 443,155
Home Modification / Home Repair	208	122	\$ 73,820
Homemaker	15,427	425	\$ 225,888
Personal Care	4,916	73	\$ 82,526
Recreation	7,439	62,217	\$ 90,401
Congregate Meals	106,951	1,118	\$ 419,879
Medication Management	548	163	\$ 9,228
Care Coordination	-	-	\$ 1,362,106
<b>Totals</b>	<b>439,609</b>	<b>561,719</b>	<b>\$ 3,656,139</b>

Persons served may represent duplicated individuals.

**REGIONAL COORDINATED TRANSPORTATION SERVICES HIGHLIGHTS FOR FY 2003**

The Department of Human Resources (DHR) Coordinated Transportation System operates across divisional lines to provide quality transportation services for DHR consumers in a safe, efficient and effective manner. This coordinated system has successfully desegregated the former independent transportation services of DHR divisions into a truly coordinated operation. Results of the program are improved effectiveness and efficiency in terms of utilization of DHR vehicles and operating dollars, as well as a reduction in duplication of services.

The CSRA RDC served as the primary contractor with sub-contractual agreements with area transportation service providers. Through these arrangements, the CSRA RDC was responsible for administering the transportation of consumers for AGING, MHDDAD, DFCS, DOL - GOODWORKS, DPH, and DRS. The RDC administrative staff solicited potential

providers including governmental, private, for-profit, and non-profit operators. Other responsibilities included preparation and submission of proposals and establishing contractual agreements with subcontractors. During FY 2003, the administrative staff established contracts with and monitored the operations of each of the 15 subcontractors. Throughout the year, technical support and training was provided to subcontractors to ensure that all reports, documents, and correspondence were transmitted and maintained in an accurate, efficient manner.

The total number of unduplicated consumers served for FY 2003 equaled 1,101 for 263,856 one-way trips. The DHR Coordinated Transportation Contract is comprised of federal, state, and local funding sources. The administrative staff managed contracts totaling \$1,870,890.

#### **PLANNING SERVICES HIGHLIGHTS FOR FY 2003**

The Planning Department offers a wide variety of state-mandated services as well as voluntary or supplemental planning services. Under the Georgia State Planning Act, the CSRA Regional Development Center is required to conduct intergovernmental reviews for state-funded projects, mediate conflicts that may arise from the intergovernmental review process, conduct reviews of development occurring within a regionally important resource, conduct reviews of projects considered to have regional impacts, and produce joint public notice reviews with the U.S. Army Corps of Engineers.

For FY 2003 the following were completed:

- 25 Intergovernmental Reviews
- 1 Regionally Important Resource review,
- 2 Developments of Regional Impact reviews,
- 2 Joint Public Notice Reviews,
- 1 Comprehensive Plan Update,
- 1 Solid Waste Management Plan Amendment,
- 13 Comprehensive Plan STWP Update reviews,
- 14 Short Term Work Program updates were loaded in the State's PlanBuilder system,
- 12 local governments were assisted with Comprehensive Plan and Solid Waste Management Plan Short Term Work Plans,
- 4 local governments were provided assistance related to zoning ordinance revisions, zoning implementation, and/or subdivision regulations revisions,
- Conducted water quality workshops for local government officials,
- Conducted non-point source pollution public outreach program in various public schools and civic organizations,
- Continued work on implementation of a multi-county GIS project,
- 5 TMDL Implementation Plans completed,
- Developed water quality monitoring plan for the Little River, and
- Provided a variety of transportation planning services to member governments as well as provide Georgia Department of Transportation with information from the region to assist with statewide transportation planning including development of TEA projects, scenic byways, and assistance with the state transportation improvement plan.

## **LOCAL GOVERNMENT SERVICES (LGS) HIGHLIGHTS FOR FY 2003**

The Local Government Services Department offers a wide variety of services to local governments, citizens and non-profit agencies of the CSRA, including grant preparation and administration, comprehensive personnel system evaluation, economic development, and historic preservation. During FY 2003, the LGS staff on behalf local government entities applied for and received \$3.1 million of state and federal grants for infrastructure, neighborhood facilities, planning, school to work, criminal justice, and historic preservation projects. In addition, the Local Government Services Department administered over \$14.6 million in grant funds.

For FY 2003 the following were completed:

- 13 Community Development Block Grant applications prepared and five were awarded to member governments totaling nearly \$2.5 million,
- 5 Immediate Threat and Danger grants were prepared totaling \$172,000,
- 4 Local Development Fund (LDF) applications were prepared and three were awarded to member governments totaling \$10,068,
- Served as Regional Champion for the Comprehensive Youth Development Strategy grant,
- Executed contract with local government to assist in development of a FEMA Hazard Mitigation Plan,
- 5 Assistance to Firefighters Grants prepared and awarded totaling \$325,990,
- Continued work on 1 personnel study and pay plan development,
- Prepared 3 special purpose grant applications,
- Provided administration for four Transportation Enhancement projects,
- Provided technical assistance regarding historic building in the CSRA,
- 4 Georgia Heritage program grants prepared and awarded to member governments totaling \$21,600,
- Served as the Historic Preservation Planner for member local governments, and
- Served as Executive Director of the CSRA Enterprise Community, Inc.

## **ECONOMIC DEVELOPMENT HIGHLIGHTS FOR FY 2003**

The Department of Economic Development assists local governments and development organizations with state and federal funding, strategic planning, and project management. Additionally, the Economic Development Department of the CSRA RDC acts as Secretary and Treasurer of both the CSRA Unified Development Council (UDC) and the CSRA Unified Development Authority (UDA).

### **State and Federal Funding:**

During Fiscal Year 2003, the Economic Development staff provided project consultation, assistance in grant application writing, and administration for state and federal funding to local governments. These programs include grants and loans that finance a variety of economic development activities, such as strategic planning, feasibility studies, and public infrastructure improvements to accommodate existing and new businesses.

The following is a summary of FY 2003 activity:

Local Government	Funding Agency	Funding Type	Amount	Use of Funds
Development Authority of Warren County	One Georgia Authority	Equity Fund +	\$ 500,000	Equipment Loan
Warren County	DCA	EIP+	\$ 500,000	Equipment Loan
Development Authority of Burke County	One Georgia Authority	Edge Fund+	\$ 2,250,000	Building Acquisition
Jefferson County Development Authority	EDA	Public Works+	\$ 1,000,000	Building Construction
Thomson-McDuffie County Development	One Georgia Authority	Edge Fund~	\$ 500,000	Site Preparation for industrial park
CSRA Unified Development Authority	One Georgia Authority	Equity Fund~	\$ 250,000	Regional Park Water/Sewer Feasibility Study
Development Authority of Burke County	One Georgia Authority	Edge Fund+	\$ 250,000	Building Rehabilitation
Development Authority of Warren County	One Georgia Authority	Equity Fund~	\$ 500,000	Infrastructure for industrial park
City of Augusta	EDA	Economic Adjustment~	\$ 17,500	Economic Development Strategic Planning
Development Authority of Screven County	One Georgia Authority	Edge Fund*	\$ 400,000	Machinery & Equipment Purchase
			\$ 6,167,500	

\*Applied for funding

+Grant Awarded

~Previously funded, project still active

### Other Activities

- Provided support for the Washington-Wilkes Business Assistance Resource Center project and the technology corridor between Athens and Augusta.
- Served as staff for the CSRA Unified Development Council and CSRA Unified Development Authority.

### **GEOGRAPHIC INFORMATION SYSTEMS (GIS) HIGHLIGHTS FOR FY 2003**

The GIS Department performs a variety of duties for both public and private entities, by assisting in data development and mapping analysis, as well as in providing consulting and training services. The GIS Department serves as a technical resource for cities and counties in the region and provides cost-effective solutions for building ground-level mapping data that will become critical for future analysis, in areas such as E911 emergency response, crime analysis, infrastructure accounting, and inventory, and land-use planning. GIS is also beneficial in providing information to increase efficiencies in governmental departments, in providing quality and accurate customer service, and it assists local jurisdictions in their efforts to meet federal or state regulations, such as those required by GASB 34, and can be useful in attaining better ratings with programs such as the National Flood Insurance Plan and Community Rating System.

For FY 2003 Projects consisted of the following:

- **Department of Transportation – GIS/GPS data collection and conversion**
  - GPS Road Centerlines
  - GPS Multi-use Recreational Trails
  - GPS Sidewalks
  - Convert data to GIS for submission to DOT for incorporation into State GIS Layers
- **Multi-County public access development**
  - McDuffie, Taliaferro, Warren, Glascock, and Jefferson Counties
  - GIS baseline information of Tax Parcels available online
  - Continued update of cadastral records
- **McDuffie County GIS Implementation data collection and conversion**
  - GPS collection of infrastructure in McDuffie County
  - Installation, customization, and training of user-friendly GIS software for county and city departments to ensure data availability to end-users
  - Online mapping application
  - Continued update of GIS information as new construction is completed
- **Lincoln County**
  - GIS Implementation Plan
  - Installation, customization, and training of user-friendly GIS software for county and city departments to ensure data availability to end-users
  - Technical support and consultation
- **Jefferson County**
  - GIS Implementation Plan
  - Installation, customization, and training of user-friendly GIS software for county and city departments to ensure data availability to end-users
  - Technical support and consultation
- **GIS support for CSRA RDC LGS and Planning departments:**
  - CBDG Mapping
  - Zoning layer development and mapping
  - Mapping for use in Grant Submissions and Requirements
- **Economic Development Support**
  - Mapping available on an as-needed basis
- **Private Sector mapping and data support**
  - Commercial Real Estate Companies
  - Independent Non-Profit Agencies

#### **CSRA DEVELOPMENT COMPANIES HIGHLIGHTS FY 2003**

After suffering a 33% drop in small business loan approvals for FY 2002 the number of loans packaged or approved is returning to pre FY 2002 levels. The CSRA Development Companies packaged or approved 40 loans for FY 2003. It is evident that the local economy is showing signs of improvement by comparing the total cost of the projects for FY 2003 of \$20,813,364 compared to \$15,709,410 for FY 2000. However, the agencies have not reached the level established in FY 2001.



A list of activity by fiscal year follows:

#### SUMMARY OF LOAN ACTIVITY

Loan Volume:	06/30/2000	06/30/2001	06/30/2002	6/30/2003
Number of Loans Packaged or Approved	40	43	29	40
Number Discontinued	2	5	2	3
Number Carried Forward	38	38	27	37
CSRA's Portion on Active Loans	\$ 6,787,544	\$ 9,854,000	\$ 6,419,480	\$ 9,218,565
Projects Amount on Active Loans	\$ 15,709,410	\$ 22,824,168	\$ 16,366,885	\$ 20,813,634
Jobs Created	261	292	324	210

#### Type Loan Packaged or Approved:

SBA 504's	20	23	8	16
SBA 7(a)'s Packaged	1	6	6	4
Revolving Loan Fund	3	5	6	3
Rural Loan Fund	16	8	9	10
Internal Thru LDC	0	1	0	0
Micro Loan Program	N/A	N/A	N/A	4

#### FINANCIAL INFORMATION

Management of the Center is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Center are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgment by management.

**Single Audit.** As a recipient of federal, state, and local government financial assistance, the Center is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with the applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by management.

As part of the Center's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the Center has complied with applicable laws and regulations. The results of the Center's single audit for the fiscal year ended June 30, 2003 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

**Budgeting Controls.** In addition, the Center maintains budgetary controls. The objectives of these budgetary controls are to ensure compliance both with the annual budget approved by the Center and with the budgetary provisions of each of the Center's various financial assistance agreements. The annual budget is reviewed and formally adopted by the Board

of Directors before the beginning of the fiscal year. *Although the annual budget is approved and adopted by the Center's Board of Directors, it is not considered a legally adopted budget.* The Center's official annual budget at the level of Center budgetary control (that is the level at which expenditures cannot exceed the appropriated amounts) is organized into a general fund and a special revenue fund. These budgets are further organized by major object classification.

**General and Special Revenue Fund Revenues.** Revenues for the General and Special Revenue Fund increased 5.05%. The amount of revenue from various sources and the variation from FY 2002 are shown in the following tabulation:

	<u>FY 2003 Revenues</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From FY 2002</u>
Local government dues	\$ 322,867	3.78%	\$ 81
Federal grants and contracts	4,899,221	57.41%	225,214
State grants and contracts	2,483,084	29.09%	(58,808)
Other grants and contracts	784,766	9.19%	237,089
Sales and services	<u>45,622</u>	<u>0.53%</u>	<u>6,207</u>
	<u>\$ 8,535,560</u>	<u>100.00%</u>	<u>\$ 409,783</u>

Federal revenue changes resulted from a combination of several distinct components. First was an increase in the level of funding for the Area Agency on Aging (AAA) – \$186,287. This increase for FY 2003 represented 59% of the FY 2002 increase. The increase for FY 2002 resulted largely from a new funding source, while the increase for FY 2003 represented minor growth in federal appropriations. Second was one time funds from USDA for a special project - \$85,556. Third was a decrease in the Enterprise Community grant funds - \$37,189. The remaining decrease of \$9,440 resulted from a combination of increases and decreases in other federal program revenues.

The decrease in state revenues resulted from cuts in state funds for the AAA and Coordinated Transportation program.

Except for FY 2001, the Center has seen an upward trend in federal and state AAA revenues over the past several years. The increase for FY 2003 continues this upward trend but not at the same rate.

Even though significant increases occurred in other grants/contracts, a large portion resulted from special projects. These projects are not on-going or continuous from year to year.

A list of the changes by major activity follows:

CDBG admin. contracts	\$ 31,320
Admininstration of Local Development Co's	15,050
Service & technical assistance contracts	94,641
Regioinal GIS project	83,500
Coordinated transportaiton insurance	5,905
Fees from training seminar	7,120
Others	5,760
	<u>\$ 243,296</u>

General and Special Revenue Fund Expenditures. Expenditures for both the General and Special Revenue Fund increased \$324,773 or 4.03%. Expenditures and the variations from FY 2002 follow:

	<u>FY 2003</u> <u>Expenditures</u>	<u>Percent of</u> <u>Total</u>	<u>Increase (Decrease)</u> <u>From FY 2002</u>
Personal services	\$ 1,443,501	17.19%	\$ 219,478
Travel	37,031	0.44%	(14,604)
Contractual	5,913,471	70.40%	59,234
Supplies	14,238	0.17%	4,297
Repairs & maintenance	5,901	0.07%	5,901
Insurance	20,312	0.24%	11,297
Conference & seminars	23,253	0.28%	5,904
Equipment under \$2,500	15,887	0.19%	12,486
GIS & mapping services	126,961	1.51%	28,215
Indirect cost allocations	731,639	8.71%	60
All other costs	66,921	0.80%	1,928
Capital outlay	-	0.00%	(9,423)
	<u>\$ 8,399,115</u>	<u>100.00%</u>	<u>\$ 324,773</u>

The growth in expenditures was slightly less than the growth in revenues. Personal services expenditures rose due to additional Center staff and merit and cost of living adjustments for existing staff. The number of full time equivalents (FTE) increased from 30.54 in FY 2002 to 32.62 in FY 2003, an increase of 2.08 FTE's. The Center's budgeted growth in personnel services from FY 2002 to FY 2003 was \$302,654 or 17.71%. The Center's actual growth was 17.19%, which is consistent with the budgeted growth of 17.71%. The increase in contractual was directly attributable to the increase in revenues for program services. The increase in insurance resulted from the assignment of vans owned by Georgia for use in the DHR Coordinated Transportation program. GIS & mapping services reflected increased use of these services, which represent charges by one of the Center's internal service funds. All of the increase in equipment resulted from computer related purchases by the AAA.

**Internal Service Funds.** The Center established an internal service fund, the Indirect Cost Fund, on July 1, 1993 to account for all administrative activities, including the indirect cost pool, payroll and fringe benefit payments and allocations, and the receipt and disbursement of all the Center's funds. This fund had operating income of \$256 and non-operating income of \$19,273. This non-operating income consisted of \$19,529 of interest income and \$256 of interest expense. The Center's policy is to transfer interest income to the general fund. After the transfer to the general fund, the net income of the fund was \$0. The fund has retained earnings of \$170,539.

The Center established a second internal service fund July 1, 1995, the Computer Services Fund, to account for the operations of the Center's computerized mapping and geographic information systems (GIS) activities. Individual grants, contracts, or projects are billed based on staff time devoted to an activity. The objective of the fund is to recover costs. This fund had an operating loss of \$32,658 and a retained earning deficit of \$30,662 at the beginning of FY 2003. The general fund transferred \$63,320 to cover both the operating loss and retained earnings deficit.

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All activity of the internal service fund, not a part of the indirect cost pool, is handled as discussed above. Recoveries of indirect costs and charges for services in the computer services fund are handled as charges for services to other funds and as expenditures in those funds.

Total costs of the indirect cost fund increased \$14,734 or 1.91%. Changes in expenses follow:

	<u>FY 2003</u>	<u>Percent of</u>	<u>Increase (Decrease)</u>
	<u>Expenditures</u>	<u>Total</u>	<u>From FY 2002</u>
Personnel costs	\$ 450,977	5.28%	\$ 52,838
Supplies	55,237	0.65%	4,617
Vehicle	8,360	0.10%	(1,226)
Contracts	33,578	0.39%	(2,275)
Insurance	16,201	0.19%	3,466
Repairs & maintenance	14,380	0.17%	(3,982)
Equipment lease	8,035	0.09%	8,035
Postage & freight	12,165	0.14%	(3,157)
Telecommunications	31,027	0.36%	(25,039)
Computer services	-	0.00%	(14,084)
Depreciation	48,535	0.57%	(4,965)
Net of all other cost objects	<u>110,458</u>	<u>1.29%</u>	<u>506</u>
	<u>\$ 788,953</u>	<u>9.24%</u>	<u>\$ 14,734</u>

Personnel costs increased due to merit and cost of living adjustments to existing staff. The Center executed two operating leases for equipment during the fiscal year. The increase in insurance resulted from increases in the overall cost of coverage. The Center in FY 2002 incurred significant one time costs related to changes and updates to its communications infrastructure, which did not occur in FY 2003. Computer services costs decreased as a

result of moving the Center's network administrator position from the Computer Services Fund to the Indirect Cost Fund. Prior to this change, the network administrator's time was split between duties related to GIS activities and those related to the administration and maintenance of the Center's LAN. Now that position is fully devoted to administration and maintenance of the Center's LAN.

The Center experienced an increase in employee benefits from FY 2002 to FY 2003. A schedule of those changes follows:

	<u>FY 2003</u> <u>Expenditures</u>	<u>Percent of</u> <u>Total</u>	<u>Increase (Decrease)</u> <u>From FY 2002</u>
Contributions to pension trust	\$ 234,770	38.65%	\$ 68,958
Payroll taxes	34,868	5.74%	2,053
Group insurance	92,816	15.28%	13,785
Workers compensation	4,830	0.80%	(1,051)
Other	34,722	5.72%	4,152
Annual leave earned	127,539	21.00%	58,318
Sick leave taken	22,249	3.66%	(16,780)
Holiday leave taken	53,174	8.75%	8,180
Other leave taken	2,434	0.00%	(20,452)
	<u>\$ 607,402</u>	<u>100.00%</u>	<u>\$ 117,163</u>

Increases in contributions to pension plan, payroll taxes, workers compensation, and other are attributable to additional staff, and to existing staff becoming eligible for coverage under the Center's pension plan. Group insurance reflects both an increased level of employee participation in the Center's group insurance plans and a substantial increase in the cost of health insurance (\$8,082).

Revenues in the computer services fund increased \$27,778 or 24.55%. Operating expenses increased \$57,885 or 50.01%. Personnel cost represented 58.54% of the increase. During FY 2003 a full time GIS manager was hired. Indirect cost allocations represented 20.94% of the increase in operating expenses. This is consistent as indirect costs are a function of salaries. Computer supplies, which include software costs, represented 12.29% of the overall increase. All other expenses represented the remaining 8.23%.

**Trust Fund.** FY 2003 relative to FY 2002 was one of the best performing years. Investment income increased \$128,797, from a loss of \$70,483 in FY 2002 to a gain of \$58,314. The trust has recovered from the financial impact of two major participant distributions in 2000 and 2001, which represented 53% of the plan's assets. Employer contributions increased 41.59% and net equity available for participants increased by \$293,084. Each \$100.00 of an employee's contribution represented a \$124.84 increase in participant equity compared to \$57.50 and \$37.40 for the two previous fiscal years.

**General Fixed Asset Account Group.** The General Fixed Assets of the Center consist of equipment purchased with grant funds.

**Component Units - Proprietary Fund Type.** Revenues decreased \$28,036, which follows a decrease of \$36,790 for the previous year. The decrease continues to reflect the condition of the overall economy. This is reflected in the number of loans packaged and approved. Even though the number of loans packaged and approved has increased, the interest rates on new loans are substantially less than previous loan rates. This will continue to affect interest income of over the next several years. Overall operating costs decreased \$4,049. Exclusive of bad debts, operating income decreased \$24,518 or 9.29%. However, net income improved significantly. A \$92,629 loss from the sale of property held in foreclosure occurred in the prior year. Management is taking steps in FY 2004 to reduce overall expenses and improve the financial condition of the entities.

**Cash Management.** Cash temporarily idle during the year was invested in interest bearing demand deposits or Georgia's local government investment pool. Investments for FY 2003 yielded income of \$61,381. The component units' investment interest income contributed 75.87% and 74.53% of the total for FY 2003 and FY 2002. Overall, the Center's investment interest was \$19,529 less for FY 2003 than FY 2002, which was \$35,435 less than FY 2001. This is the result of both the depressed financial market and the use of idle funds for loans.

**Risk Management.** The Center manages its risk from losses arising from physical damage to its assets purchased through state and federal grants, as well as claims and judgments, which may arise from employees or others (including worker's compensation claims) through the purchase of commercial insurance. During the year ended June 30, 2003, there were no appreciable reductions in amounts or nature of coverage.

#### **OTHER INFORMATION**

**Independent Audit.** The Center's Work Program is funded by a variety of federal, state, and local government sources. All funding is received through grants and contracts except for member assessments. The Center is required by State law to have an annual audit made of its books, accounts, records, and all transactions including those of any non-profit corporations it created. The audit is performed by an independent Certified Public Accountant selected by and responsible to the Board of Directors. Cleveland and Anderson, Certified Public Accountants, performed this year's audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of 1997 OMB Circular A-133. The auditors' report on the general-purpose financial statements, the combining and individual fund statements, discretely presented component units, and schedules are included in the financial section of this report. The auditors' reports relating specifically to the single audit are included in the Single Audit Section.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Center for its comprehensive annual financial report for the year ended June 30, 2002. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the Center published an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The Center has received a Certificate of Achievement for the past ten consecutive years. We believe that our report continues to conform to the Certificate of Achievement program's requirements, and we are submitting it to GFOA.

**Acknowledgments.** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the finance and administration department. Appreciation is expressed to staff of the accounting department who assisted in its preparation. The Executive Director and the Board of Directors are also commended for their interest and support in planning and conducting the financial operations of the Center in a responsible and progressive manner.

Respectfully Submitted,

L. Mack Shealy, CPA, CGFM  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Central Savannah River  
Area Regional Development  
Center, Georgia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



## **CSRA Regional Development Center**

### **Executive Committee**

**Horace Daniels**  
**Washington County**  
**Chair**

**Dwaine Biggerstaff**  
**City of Lincoln**  
**Vice Chair**

**John Graham**  
**Secretary/Treasurer**

**Edward Burton**  
**Washington County**

**Donald Kent**  
**City of Gibson**

**Ron Cross**  
**Columbia County**

**Bob Young**  
**Augusta-Richmond County**  
**Immediate Past Chair**

**Bob Knox**  
**City of Thomson**

**Dr. Gardner Hobbs**  
**Jefferson County**

**Terry Elam**  
**Augusta Technical College**  
**Ex-Officio Member**

### **Principal Staff**

**Executive Director**  
**Anthony Crosson**

**Chief Financial Officer**  
**L. Mack Shealy, CPA, CGFM**

**President of CSRA Development**  
**Companies**  
**Randy Griffin**

**Director - Area Agency on Aging**  
**Jeanette Cummings**

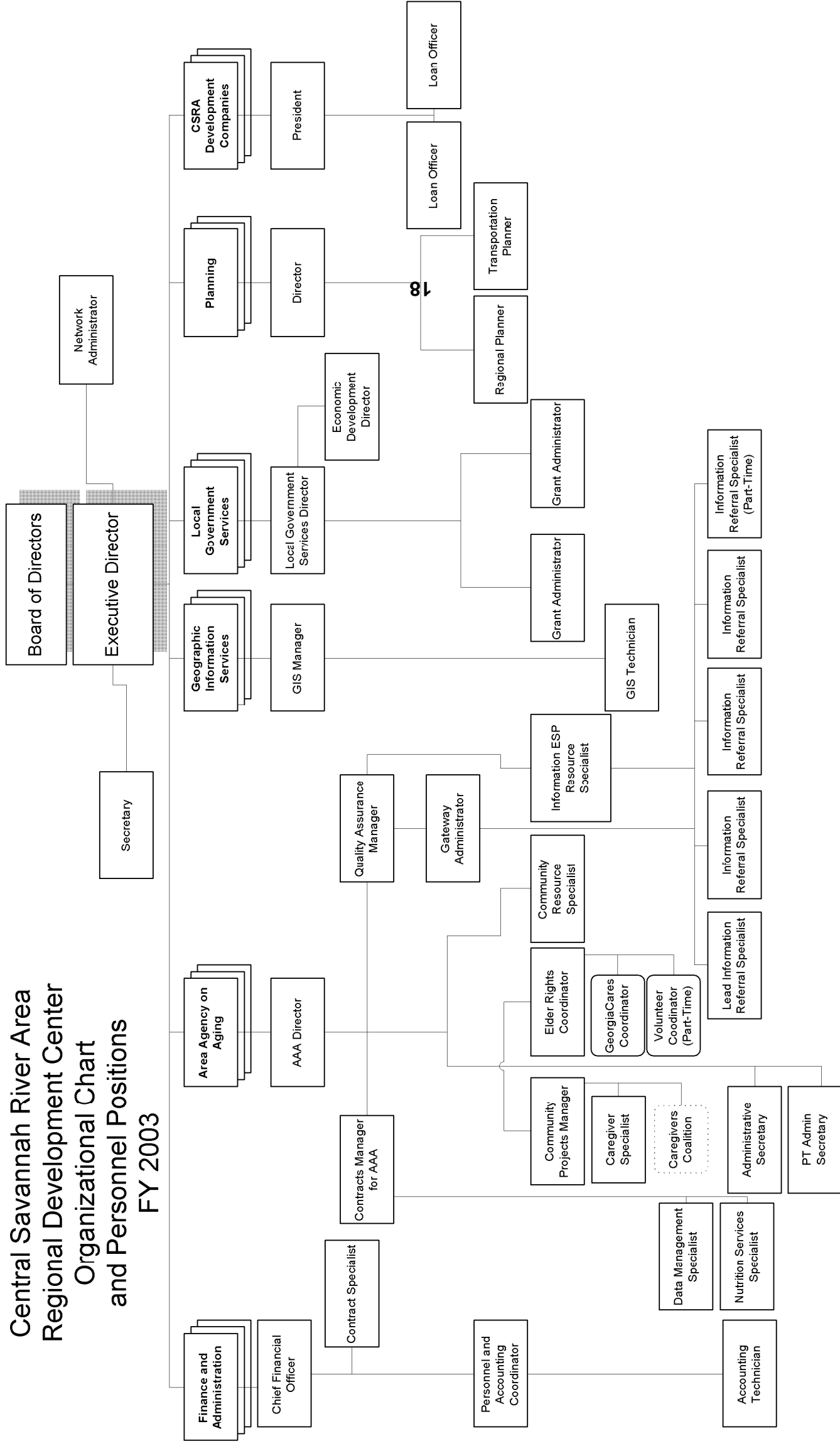
**Director - Local Government Services**  
**Anne Floyd**

**Director – Information Technology**  
**Mary Howard**

**Director – Planning**  
**Lori Sand**

**Executive Secretary**  
**Gerri Sheppard**

Central Savannah River Area  
Regional Development Center  
Organizational Chart  
and Personnel Positions  
FY 2003



# **CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER SERVICE DELIVERY AREA**



The Central Savannah River Area (CSRA) comprised the fourteen counties in East Georgia known as the CSRA. The CSRA is a vital, progressive region that played an important role throughout the history of Georgia and the nation. The CSRA's major economic center is the consolidated government of Augusta-Richmond county. A trading post since the 1730's, Augusta is the second oldest and second largest metropolitan area in Georgia.

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# **FINANCIAL SECTION**

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# CLEVELAND & ANDERSON

*Certified Public Accountants*

*A Partnership of Professional Corporations*

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors

Central Savannah River Area Regional Development Center  
Augusta, Georgia

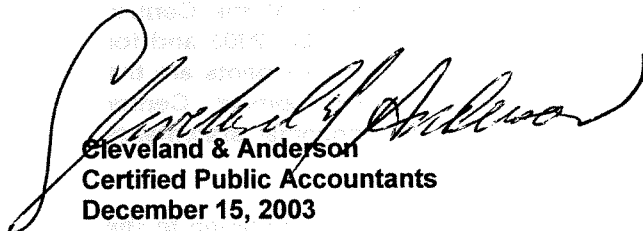
We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the Central Savannah River Area Regional Development Center (Center), as of June 30, 2003 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Central Savannah River Area Regional Development Center management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Central Savannah River Area Regional Development Center, as of June 30, 2003, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Central Savannah River Area Regional Development Center, as of June 30, 2003, and the results of operations of such funds and the cash flow of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America..

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2003 on our consideration of the Central Savannah River Area Regional Development Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for forming an opinion on the general-purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The accompanying schedule of expenditures of federal awards is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. All other information listed as supplementary schedules and statistical information in the table of contents is also presented for purposes of additional analysis and is not a required part of the financial statements of the Central Savannah River Area Regional Development Center. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly presented in all respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

  
Cleveland & Anderson  
Certified Public Accountants  
December 15, 2003



# **GENERAL-PURPOSE FINANCIAL STATEMENTS**

The general-purpose financial statements are those basic financial statements, which comprise the minimum presentation of CSRA RDC's financial condition in conformity with generally accepted in the United States of America accounting principles.

The general-purpose financial statements include the four generic fund types, one account group that CSRA RDC has established, and its component units. Component units are legally separate organizations that are financially accountable to the primary government.

## **Governmental Funds**

**General Fund** - The General Fund is the general operating fund for CSRA RDC. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of special revenue sources (grants and contracts) that are legally restricted to expenditures for specific purposes.

## **Proprietary Funds**

**Enterprise Funds** - The Enterprise Fund is used to account for revenues and expenses resulting from the operation of a micro enterprise revolving loan fund created by the Center as a result of a Rural Enterprise Grant from USDA Rural Economic and Community Development.

**Internal Service Funds** - The Internal Service Funds are used to account for the financing of goods and services provided by the administrative department to other departments within the Center on a cost reimbursement basis.

## **Fiduciary Funds**

**Trust and Agency Funds** - The Pension Trust Fund is used to account for the resources, held in a trustee capacity, of the Center's money purchase pension plan. The Flexible Compensation Plan Fund, an agency fund, accounts for the funds withheld from employees' pay for the purposes of reimbursing them for uninsured medical costs and dependent care costs.

## **Account Group**

**General Fixed Assets** - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group.

## **Component Units**

All of the component units are accounted for as enterprise funds.

CENTRAL SAVANNAH RIVER REGIONAL DEVELOPMENT CENTER  
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND  
DISCRETELY PRESENTED COMPONENT UNITS  
JUNE 30, 2003

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUP GENERAL	TOTALS	COMPONENT	TOTALS
	GENERAL	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	FIXED ASSETS	MEMORANDUM ONLY PRIMARY GOVERNMENT	UNITS	MEMORANDUM ONLY REPORTING ENTITY
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,264,576	\$ -	\$ -	\$ 1,264,576	\$ 2,137,843	\$ 3,402,419
Investments	-	-	-	-	1,652,881	-	1,652,881	-	1,652,881
Receivable									
Local participation	28,171	-	-	-	-	-	28,171	-	28,171
Grants and contracts	-	1,371,305	-	-	-	-	1,371,305	-	1,371,305
Other	-	175	-	10,154	136,242	-	146,571	-	146,571
Loans, net of allowance \$97,770 for micro enterprise fund and \$636,920 for component units	-	-	176,116	-	-	-	176,116	4,842,789	5,018,905
Interest	-	-	827	-	-	-	827	52,981	53,808
Due from other funds	1,095,805	28,909	181,264	74,210	3,468	-	1,383,656	-	1,383,656
Due from component units	4,105	120,063	-	-	-	-	124,168	-	124,168
Working capital advance	235,635	-	-	-	-	-	235,635	-	235,635
Prepaid items	-	4,605	-	16,061	-	-	20,666	-	20,666
Premium on loan	-	-	-	-	-	-	-	59,682	59,682
Fixed assets, net of depreciation	-	-	-	174,978	-	86,506	261,484	3,757	265,241
Security deposit	-	-	-	5,778	-	-	5,778	-	5,778
<b>TOTAL ASSETS</b>	<b>\$ 1,363,716</b>	<b>\$ 1,525,057</b>	<b>\$ 358,207</b>	<b>\$ 1,545,757</b>	<b>\$ 1,792,591</b>	<b>\$ 86,506</b>	<b>\$ 6,671,834</b>	<b>\$ 7,097,052</b>	<b>\$ 13,768,886</b>

The accompanying notes are an integral part of these financial statements.

CENTRAL SAVANNAH RIVER REGIONAL DEVELOPMENT CENTER  
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND  
DISCRETELY PRESENTED COMPONENT UNITS  
JUNE 30, 2003

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUP GENERAL	TOTALS		TOTALS	
	GENERAL	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	FIXED ASSETS	MEMORANDUM ONLY	PRIMARY GOVERNMENT	COMPONENT UNITS	MEMORANDUM ONLY REPORTING ENTITY
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>										
Accounts payable	\$ -	\$ 271,287	\$ -	\$ 811,431	\$ 177,151	\$ -	\$ 1,259,869	\$ -	\$ 1,259,869	
Deferred revenues	-	158,680	-	1,000	-	-	159,680	-	-	159,680
Accrued liabilities	-	-	-	56,964	-	-	56,964	22,151	-	79,115
Accrued leave payable	-	-	-	145,518	-	-	145,518	-	-	145,518
Long-term debt, current portion	-	-	-	-	-	-	-	149,371	-	149,371
Due to other funds	288,566	1,095,090	-	-	-	-	1,383,656	-	-	1,383,656
Due to primary government	-	-	-	-	-	-	-	124,168	-	124,168
Working capital advance	-	-	-	235,635	-	-	235,635	-	-	235,635
Long-term debt - non current	-	-	-	-	-	-	-	4,256,407	-	4,256,407
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 288,566</b>	<b>\$ 1,525,057</b>	<b>\$ -</b>	<b>\$ 1,250,548</b>	<b>\$ 177,151</b>	<b>\$ -</b>	<b>\$ 3,241,322</b>	<b>\$ 4,552,097</b>	<b>\$ -</b>	<b>\$ 7,793,419</b>
<b>EQUITY AND OTHER CREDITS</b>										
Investment in general fixed assets from										
Special revenue fund revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,506	\$ 86,506	\$ -	\$ -	\$ 86,506
Contributed capital	-	-	-	124,670	-	-	124,670	437,500	-	562,170
Retained earnings, reserved for capitalization of revolving loan fund	-	-	500,000	-	-	-	500,000	1,000,000	-	1,500,000
Retained earnings (deficit), unreserved	-	-	(141,793)	170,539	-	-	28,746	1,107,455	-	1,136,201
Fund balances										
Reserved for participants retirement	-	-	-	-	1,615,440	-	1,615,440	-	-	1,615,440
Reserved for advances	235,635	-	-	-	-	-	235,635	-	-	235,635
Unreserved, designated property sale proceeds	289,000	-	-	-	-	-	289,000	-	-	289,000
Unreserved, designated for unemployment insurance	1,378	-	-	-	-	-	1,378	-	-	1,378
Unreserved, undesignated	549,137	-	-	-	-	-	549,137	-	-	549,137
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>\$ 1,075,150</b>	<b>\$ -</b>	<b>\$ 358,207</b>	<b>\$ 295,209</b>	<b>\$ 1,615,440</b>	<b>\$ 86,506</b>	<b>\$ 3,430,512</b>	<b>\$ 2,544,955</b>	<b>\$ -</b>	<b>\$ 5,975,467</b>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>\$ 1,363,716</b>	<b>\$ 1,525,057</b>	<b>\$ 358,207</b>	<b>\$ 1,545,757</b>	<b>\$ 1,792,591</b>	<b>\$ 86,506</b>	<b>\$ 6,671,834</b>	<b>\$ 7,097,052</b>	<b>\$ -</b>	<b>\$ 13,768,886</b>

The accompanying notes are an integral part of these financial statements.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003  
(With comparative totals for the fiscal year ended June 30, 2002)**

	GOVERNMENTAL FUND TYPES		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	June 30, 2003	June 30, 2002
<b>REVENUES</b>				
LOCAL GOVERNMENT DUES	\$ 322,867	\$ -	\$ 322,867	\$ 322,786
GRANT CONTRACTS				
Federal	-	4,899,221	4,899,221	\$ 4,674,007
State	-	2,483,084	2,483,084	2,541,892
Other	-	784,766	784,766	547,677
OTHER REVENUES				
Sales and services	12,820	32,802	45,622	39,415
<b>TOTAL REVENUES</b>	<b>\$ 335,687</b>	<b>\$ 8,199,873</b>	<b>\$ 8,535,560</b>	<b>\$ 8,125,777</b>
<b>EXPENDITURES</b>				
Current:				
Aging services	-	5,020,113	5,020,113	\$ 4,842,238
Regional transportation services	-	1,954,130	1,954,130	2,016,406
Planning and zoning services	-	498,739	498,739	316,389
Local government services	-	336,195	336,195	325,626
Economic development support	-	172,674	172,674	171,449
Local development companies	-	384,256	384,256	369,206
General services	33,008	-	33,008	33,028
<b>TOTAL EXPENDITURES</b>	<b>\$ 33,008</b>	<b>\$ 8,366,107</b>	<b>\$ 8,399,115</b>	<b>\$ 8,074,342</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 302,679</b>	<b>\$ (166,234)</b>	<b>\$ 136,445</b>	<b>\$ 51,435</b>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Proceeds from sale of property	\$ -	\$ -	\$ -	\$ 59,474
Operating transfers in	74,842	246,667	321,509	559,533
Operating transfers out	(286,960)	(80,433)	(367,393)	(390,634)
<b>TOTAL OTHER SOURCES AND (USES)</b>	<b>\$ (212,118)</b>	<b>\$ 166,234</b>	<b>\$ (45,884)</b>	<b>\$ 228,373</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>\$ 90,561</b>	<b>-</b>	<b>\$ 90,561</b>	<b>\$ 279,808</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>984,589</b>	<b>-</b>	<b>984,589</b>	<b>704,781</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,075,150</b>	<b>\$ -</b>	<b>\$ 1,075,150</b>	<b>\$ 984,589</b>

The accompanying notes are an integral part of these financial statements.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY/RETAINED EARNINGS**  
**ALL PROPRIETARY FUND TYPES,**  
**AND DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	PROPRIETARY FUND TYPES		TOTALS PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNTIS	TOTALS REPORTING ENTITY (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE			
<b>OPERATING REVENUES</b>					
Charges for services	\$ -	\$ 929,913	\$ 929,913	\$ 303,637	\$ 1,233,550
Interest income program loans	16,394	-	16,394	411,952	428,346
Other income	466	22	488	-	488
<b>TOTAL REVENUES</b>	<b>\$ 16,860</b>	<b>\$ 929,935</b>	<b>\$ 946,795</b>	<b>\$ 715,589</b>	<b>\$ 1,662,384</b>
<b>OPERATING EXPENSES</b>					
Cost of services	\$ 20,791	\$ 910,187	\$ 930,978	\$ 470,795	\$ 1,401,773
Bad debts	-	-	-	320,123	320,123
Amortization	-	-	-	2,842	2,842
Depreciation	-	52,150	52,150	2,383	54,533
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 20,791.00</b>	<b>\$ 962,337.00</b>	<b>\$ 983,128.00</b>	<b>\$ 796,143.00</b>	<b>\$ 1,779,271.00</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (3,931.00)</b>	<b>\$ (32,402.00)</b>	<b>\$ (36,333.00)</b>	<b>\$ (80,554.00)</b>	<b>\$ (116,887.00)</b>
<b>NONOPERATING REVENUE (EXPENSES)</b>					
Interest income	\$ -	\$ 19,529.00	\$ 19,529.00	\$ 61,381.00	\$ 80,910.00
Interest expense	-	(256)	(256)	(49,477)	(49,733)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>\$ -</b>	<b>\$ 19,273</b>	<b>\$ 19,273</b>	<b>\$ 11,904</b>	<b>\$ 31,177</b>
<b>INCOME BEFORE OPERATING TRANSFERS</b>	<b>\$ (3,931)</b>	<b>\$ (13,129)</b>	<b>\$ (17,060)</b>	<b>\$ (68,650)</b>	<b>\$ (85,710)</b>
Operating transfers in	\$ 2,093	\$ 63,320	\$ 65,413	\$ -	\$ 65,413
Operating transfers out	-	(19,529)	(19,529)	-	(19,529)
<b>Net operating transfers</b>	<b>\$ 2,093</b>	<b>\$ 43,791</b>	<b>\$ 45,884</b>	<b>\$ -</b>	<b>\$ 45,884</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (1,838)</b>	<b>\$ 30,662</b>	<b>\$ 28,824</b>	<b>\$ (68,650)</b>	<b>\$ (39,826)</b>
<b>FUND EQUITY, BEGINNING OF YEAR</b>	<b>360,045</b>	<b>264,547</b>	<b>624,592</b>	<b>2,613,605</b>	<b>3,238,197</b>
<b>FUND EQUITY, END OF YEAR</b>	<b>\$ 358,207</b>	<b>\$ 295,209</b>	<b>\$ 653,416</b>	<b>\$ 2,544,955</b>	<b>\$ 3,198,371</b>

The accompanying notes are an integral part of these financial statements.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	PROPRIETARY FUND TYPES		TOTALS PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS	TOTALS REPORTING ENTITY (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating Income (loss)	\$ (3,931)	\$ (32,402)	\$ (36,333)	\$ (80,554)	\$ (116,887)
Adjustments to reconcile operating income to net cash provided by operating activities					
Amortization	-	-	-	2,842	2,842
Depreciation	-	52,150	52,150	2,383	54,533
Bad debts	-	-	-	320,123	320,123
Change in assets & liabilities:					
(Increase) decrease in receivable- other	-	(8,582)	(8,582)	-	(8,582)
(Increase) decrease in receivable - interest	1,837	-	1,837	(29,357)	(27,520)
(Increase) decrease in due from other funds	12,109	(230)	11,879	-	11,879
(Increase) decrease in prepaid expenses	-	(1,142)	(1,142)	-	(1,142)
Increase (decrease) in accounts payable	-	112,482	112,482	-	112,482
Increase (decrease) in due to primary government	-	-	-	4,339	4,339
Increase (decrease) in accrued expenses	-	6,649	6,649	2,790	9,439
Increase (decrease) in deferred revenue	-	1,000	1,000	-	1,000
Increase (decrease) in accrued leave	-	43,173	43,173	-	43,173
<b>NET CASH PROVIDED (USED) BY OPERATIONS</b>	<b>\$ 10,015</b>	<b>\$ 173,098</b>	<b>\$ 183,113</b>	<b>\$ 222,566</b>	<b>\$ 405,679</b>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>					
Operating transfers from other funds	\$ 2,093	\$ 63,320	\$ 65,413	\$ -	\$ 65,413
Operating transfers to other funds	-	(19,529)	(19,529)	-	(19,529)
Proceeds from long term debt	-	-	-	330,000	330,000
Reduction of long term debt	-	-	-	(131,193)	(131,193)
Interest paid	-	(256)	(256)	(49,477)	(49,733)
<b>NET CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>	<b>\$ 2,093</b>	<b>\$ 43,535</b>	<b>\$ 45,628</b>	<b>\$ 149,330</b>	<b>\$ 194,958</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	\$ -	\$ (21,426)	\$ (21,426)	\$ -	\$ (21,426)
Capital lease payments	-	(1,631)	(1,631)	-	(1,631)
<b>NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>\$ -</b>	<b>\$ (23,057)</b>	<b>\$ (23,057)</b>	<b>\$ -</b>	<b>\$ (23,057)</b>

The accompanying notes are an integral part of these financial statements.

Continued on following page.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	PROPRIETARY FUND TYPES		TOTALS PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS	TOTALS REPORTING ENTITY (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	\$ -	\$ 19,529.00	\$ \$ 19,529.00	\$ 61,381.00	\$ 80,910.00
Proceeds from sale of investments	-	-	-	436,632	436,632
Proceeds from sale of restricted investments	-	-	-	441,365	441,365
Disbursement to beneficiary	-	-	-	(441,365)	(441,365)
Loan principal disbursed	(79,000)	-	(79,000)	(1,867,243)	(1,946,243)
Loan principal received	66,892	-	66,892	1,119,737	1,186,629
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>\$ (12,108)</b>	<b>\$ 19,529</b>	<b>\$ \$ 7,421</b>	<b>\$ (249,493)</b>	<b>\$ (242,072)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ -</b>	<b>\$ 213,105</b>	<b>\$ \$ 213,105</b>	<b>\$ 122,403</b>	<b>\$ 335,508</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>-</b>	<b>1,051,470</b>	<b>1,051,470</b>	<b>2,015,440</b>	<b>3,066,910</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 1,264,575</b>	<b>\$ \$ 1,264,575</b>	<b>\$ 2,137,843</b>	<b>\$ 3,402,418</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Leased equipment returned to lessor	\$ -	\$ 26,960	\$ \$ 26,960	\$ -	\$ 26,960
Accumulated depreciation related to leased equipment returned	-	(18,913)	(18,913)	-	(18,913)
Lease payable	-	(8,047)	(8,047)	-	(8,047)
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ \$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Continued from previous page.

The accompanying notes are an integral part of these financial statements.

<p style="text-align: center;"> <b>CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER</b>  <b>COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS</b>  <b>FIDUCIARY FUND - MONEY PURCHASE PENSION TRUST</b>  <b>FOR THE FISCAL YEAR ENDED JUNE 30, 2003</b> </p>
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**ADDITIONS:**

Employer contributions	\$ 234,770
Investment income	<u>58,314</u>

Total	<u>\$ 293,084</u>
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NET INCREASE	\$ 293,084
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NET ASSETS HELD IN TRUST, BEGINNING OF YEAR	<u>1,322,356</u>
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NET ASSETS HELD IN TRUST, END OF YEAR	<u><u>\$ 1,615,440</u></u>
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The accompanying notes are an integral part of these financial statements.



**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**COMBINING BALANCE SHEET - COMPONENT UNITS**  
**JUNE 30, 2003**  
(With comparative totals for year June 30, 2002)

	CSRA RESOURCE DEVELOPMENT AGENCY INC.	CSRA LOCAL DEVELOPMENT CORPORATION INC.	CSRA RURAL LENDING AUTHORITY INC.	TOTALS	
				June 30, 2003	June 30, 2002
<b>ASSETS</b>					
Cash	\$ 392,052	\$ 589,889	\$ 1,155,902	\$ 2,137,843	\$ 2,015,440
Investments	-	-	-	-	436,633
Loans receivable - current	191,255	-	610,558	801,813	1,150,195
Less allowance for doubtful accounts	(106,408)	-	(530,512)	(636,920)	(566,387)
Receivable - interest	6,075	-	46,906	52,981	23,623
Furniture, fixtures, and equipment	233	27,519	233	27,985	27,984
Less accumulated depreciation	(233)	(23,762)	(233)	(24,228)	(21,845)
Investments - restricted as to use	-	-	-	-	441,365
Premium on loan	-	-	59,682	59,682	62,524
Loans receivable - long-term	1,231,352	-	3,446,544	4,677,896	3,831,599
<b>TOTAL ASSETS</b>	<b>\$ 1,714,326</b>	<b>\$ 593,646</b>	<b>\$ 4,789,080</b>	<b>\$ 7,097,052</b>	<b>\$ 7,401,131</b>
<b>LIABILITIES</b>					
Accrued interest	\$ -	\$ -	\$ 22,151	\$ 22,151	\$ 19,361
Due to primary government	27,775	50,586	45,807	124,168	119,829
Held in trust for borrower	-	-	-	-	441,365
Long-term debt - current portion	-	-	149,371	149,371	131,193
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 27,775</b>	<b>\$ 50,586</b>	<b>\$ 217,329</b>	<b>\$ 295,690</b>	<b>\$ 711,748</b>
Long-term debt - noncurrent	\$ -	\$ -	\$ 4,256,407	\$ 4,256,407	\$ 4,075,778
<b>TOTAL LIABILITIES</b>	<b>\$ 27,775</b>	<b>\$ 50,586</b>	<b>\$ 4,473,736</b>	<b>\$ 4,552,097</b>	<b>\$ 4,787,526</b>
<b>FUND EQUITY</b>					
Contributed capital	\$ -	\$ -	\$ 437,500	\$ 437,500	\$ 437,500
Retained earnings, reserved for capitalization of revolving loan fund	1,000,000	-	-	1,000,000	1,000,000
Retained earnings (deficit), unreserved	686,551	543,060	(122,156)	1,107,455	1,176,105
<b>TOTAL FUND EQUITY</b>	<b>\$ 1,686,551</b>	<b>\$ 543,060</b>	<b>\$ 315,344</b>	<b>\$ 2,544,955</b>	<b>\$ 2,613,605</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,714,326</b>	<b>\$ 593,646</b>	<b>\$ 4,789,080</b>	<b>\$ 7,097,052</b>	<b>\$ 7,401,131</b>

The accompanying notes are an integral part of these financial statements.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY/RETAINED EARNINGS -**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**  
(With comparative totals for the fiscal year June 30, 2002)

	CSRA RESOURCE DEVELOPMENT AGENCY, INC.	CSRA LOCAL DEVELOPMENT CORPORATION, INC.	CSRA RURAL LENDING AUTHORITY INC.	TOTALS	
				June 30, 2003	June 30, 2002
<b>OPERATING REVENUES</b>					
Interest income	\$ 102,481	\$ 17,235	\$ 292,236	\$ 411,952	\$ 447,499
Late charges	2,282	758	6,232	9,272	12,017
Loan processing fees	5,025	120,856	12,668	138,549	124,856
Loan serving fees	-	155,816	-	155,816	159,253
<b>TOTAL REVENUES</b>	<b>\$ 109,788</b>	<b>\$ 294,665</b>	<b>\$ 311,136</b>	<b>\$ 715,589</b>	<b>\$ 743,625</b>
<b>OPERATING EXPENSES</b>					
Supplies	\$ 272	\$ 7,240	\$ 1,588	\$ 9,100	\$ 8,790
Travel and conferences	-	16,890	-	16,890	14,792
Professional fees	-	37,500	4,100	41,600	40,610
Insurance & bonding	1,283	1,283	1,283	3,849	-
Printings & publications	179	7,129	-	7,308	4,038
Telecommunications	45	1,213	45	1,303	1,714
Board meetings	-	852	-	852	1,519
Memberships & subscriptions	-	5,637	-	5,637	5,379
Bank charges	-	-	-	-	1,091
Foreclosure expense	-	-	-	-	21,608
Errors & omissions	-	-	-	-	5,099
Management fee	90,961	186,493	106,802	384,256	369,205
Bad debts	-	-	320,123	320,123	320,654
Amortization	-	-	2,842	2,842	2,842
Depreciation	-	2,383	-	2,383	2,851
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 92,740</b>	<b>\$ 266,620</b>	<b>\$ 436,783</b>	<b>\$ 796,143</b>	<b>\$ 800,192</b>
<b>OPERATING INCOME</b>	<b>\$ 17,048</b>	<b>\$ 28,045</b>	<b>\$ (125,647)</b>	<b>\$ (80,554)</b>	<b>\$ (56,567)</b>
<b>NONOPERATING REVENUE (EXPENSES)</b>					
Interest income	\$ 9,801	\$ 16,100	\$ 35,480	\$ 61,381	\$ 60,310
Loss on sale of property held in foreclosure	-	-	-	-	(92,629)
Interest expense	-	-	(49,477)	(49,477)	(39,060)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>\$ 9,801</b>	<b>\$ 16,100</b>	<b>\$ (13,997)</b>	<b>\$ 11,904</b>	<b>\$ (71,379)</b>
<b>NET INCOME</b>	<b>\$ 26,849</b>	<b>\$ 44,145</b>	<b>\$ (139,644)</b>	<b>\$ (68,650)</b>	<b>\$ (127,946)</b>
<b>FUND EQUITY, BEGINNING OF YEAR</b>	<b>\$ 1,659,702</b>	<b>\$ 498,915</b>	<b>\$ 454,988</b>	<b>\$ 2,613,605</b>	<b>\$ 2,741,551</b>
<b>FUND EQUITY, END OF YEAR</b>	<b>\$ 1,686,551</b>	<b>\$ 543,060</b>	<b>\$ 315,344</b>	<b>\$ 2,544,955</b>	<b>\$ 2,613,605</b>

The accompanying notes are an integral part of these statements.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**COMBINING STATEMENT OF CASH FLOWS - COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**  
(With comparative totals for the fiscal year June 30, 2002)

	CSRA RESOURCE DEVELOPMENT AGENCY, INC. INC.	CSRA LOCAL DEVELOPMENT CORPORATION, INC.	CSRA RURAL LENDING AUTHORITY INC.	TOTALS	
				June 30, 2003	June 30, 2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 17,048	\$ 28,045	\$ (125,647)	\$ (80,554)	\$ (56,567)
Adjustments to reconcile operating income to net cash provided by operating activities	-	-	-	-	-
Depreciation	-	2,383	-	2,383	2,851
Amortization	-	-	2,842	2,842	2,842
Bad debts	-	-	320,123	320,123	320,654
Change in assets & liabilities:					
(Increase) decrease in interest receivable	(1,340)	-	(28,017)	(29,357)	23,644
(Increase) decrease in due to other funds	-	-	-	-	115,000
Increase (decrease) in accrued interest	-	-	2,790	2,790	(653)
Increase (decrease) in accounts payable	-	(8,996)	-	(8,996)	(6,657)
Increase (decrease) in due to (from) other funds	-	-	-	-	(115,000)
Increase (decrease) in due to primary government	872	4,105	8,358	13,335	-
<b>NET CASH PROVIDED BY OPERATIONS</b>	<b>\$ 16,580</b>	<b>\$ 25,537</b>	<b>\$ 180,449</b>	<b>\$ 222,566</b>	<b>\$ 286,114</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Proceeds of long term debt	\$ -	\$ -	\$ 330,000	\$ 330,000	\$ 356,250
Reduction of long-term debt	-	-	(131,193)	(131,193)	(129,893)
Interest paid	-	-	(49,477)	(49,477)	(39,060)
<b>NET CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 149,330</b>	<b>\$ 149,330</b>	<b>\$ 187,297</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	\$ 9,801	\$ 16,100	\$ 35,480	\$ 61,381	\$ 60,310
Sale of property held in foreclosure	-	-	-	-	82,371
Proceeds from sale of investments	-	436,632	-	436,632	-
Purchase of investments	-	-	-	-	(15,188)
Proceeds from sale of restricted investments	-	441,365	-	441,365	-
Disbursement to beneficiary	-	(441,365)	-	(441,365)	-
Loan principal disbursed	(504,619)	-	(1,362,624)	(1,867,243)	(840,657)
Loan principal received	409,036	-	710,701	1,119,737	1,050,671
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>\$ (85,782)</b>	<b>\$ 452,732</b>	<b>\$ (616,443)</b>	<b>\$ (249,493)</b>	<b>\$ 337,507</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (69,202)</b>	<b>\$ 478,269</b>	<b>\$ (286,664)</b>	<b>\$ 122,403</b>	<b>\$ 810,918</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>461,254</b>	<b>111,620</b>	<b>1,442,566</b>	<b>2,015,440</b>	<b>1,204,522</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 392,052</b>	<b>\$ 589,889</b>	<b>\$ 1,155,902</b>	<b>\$ 2,137,843</b>	<b>\$ 2,015,440</b>

The accompanying notes are an integral part of these financial statements.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

**NOTE 1 –REPORTING ENTITY**

The Central Savannah River Area (CSRA) Regional Development Center (the Center) succeeded the former Central Savannah River Area Planning and Development Commission effective July 1, 1989. The Official Code of Georgia Annotated (OCGA) § 50-8-41 provided for this succession. The responsibilities and authority of the regional development center is contained in Sections 50-8-30 through 50-8-46 of OCGA. The Center assists local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. Membership dues, federal, state, local, private grants/contracts, and other income finance operations of the Center. Grants from federal, state, and other sources permit the Center to undertake specific programs.

County members of the Center are Burke, Columbia, Glascock, Hancock, Jefferson, Jenkins, Lincoln, McDuffie, Richmond, Screven, Taliaferro, Warren, Washington, and Wilkes Counties. Municipalities which are members are: Waynesboro, Midville, Sardis, Girard, Keysville, Grovetown, Harlem, Gibson, Edgehill, Mitchell, Sparta, Louisville, Wrens, Wadley, Stapleton, Bartow, Avera, Millen, Lincolnton, Thomson, Dearing, Hephzibah, Blythe, Sylvania, Newington, Hiltoria, Rocky Ford, Oliver, Crawfordville, Sharon, Warrenton, Norwood, Camak, Davisboro, Deepstep, Harrison, Oconee, Riddleville, Sandersville, Tennille, Washington, Tignall, and Rayle.

The Center is a special purpose local government existing under the authority of Georgia law. As required by accounting principles generally accepted in the United States of America, these financial statements present the Center and its component units. Component units are legally separate organizations that are financially accountable to the primary government. Although these separate organizations (component units) do not meet the financial accountability criteria described in GASB Statement 14, they are included. The nature and significance of the relationship of these separate organizations with the Center are such that exclusion would cause the Center's financial statements to be incomplete. An exception to the financial accountability criteria is available, when it would be misleading to exclude the potential component unit because of its relationship with the primary government. The Georgia Attorney General in his Official Opinion 96-8 dated May 9, 1996, stated, "It is my official opinion that an RDC [Center] lacks authority to abrogate its duty to be accountable for the nonprofit corporations it is authorized to create." The component units are discretely presented, meaning that they are reported in a separate column in the combined financial statements to emphasize they are legally separate from the Center. See Note 2.N.

Each component unit is a non-profit corporation authorized by the Center's board and each of the Center's member local governments. Even though the Center's Board of Directors and each member government authorized the creation of each corporation, the by-laws of each states that no more than forty-nine percent of each corporation's (component unit) members may be employed by or be directors of the Center. Each component unit is operated and administered under a contractual arrangement with the Center. The president, executive vice president, and assistant secretary of each of the corporations (component units) are employees of the Center and receive no compensation directly from the Corporations.

The component unit column in the combined financial statements identifies the financial data of the Center's component units, CSRA Local Development Corporation, Inc., CSRA Resource Development Agency, Inc., and CSRA Rural Lending Authority, Inc. They are reported separately to emphasize that they are legally separate from the Center. All of the component units are reported as enterprise funds. The component units do not issue separate financial statements.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

The CSRA Local Development Corporation Inc., a local development company certified by the U.S. Small Business Administration, was organized pursuant to the Georgia Non-Profit Corporation Code on February 3, 1981. The corporation is exempt from Federal income taxes under Internal Revenue Code Section 501(c) (3) by virtue of a ruling of the Internal Revenue Service dated July 19, 1983. The principal objective of the organization is to benefit eligible businesses in the CSRA by assisting in securing financing for business concerns, which have the capacity to maintain and/or create jobs. The corporation provides financing assistance by packaging loans through the U.S. Small Business Administration's (SBA) 504 and 7A Guaranteed Loan Programs. The corporation also services the 504 loans on behalf of the SBA.

The CSRA Resource Development Agency, Inc. was organized pursuant to the Georgia Non-Profit Corporation Code on October 24, 1979. The corporation is exempt from Federal income taxes under Internal Revenue Code Section 501(c) (3) by virtue of a ruling of the Internal Revenue Service dated July 13, 1983. The principal objective and purpose of the corporation is to operate a revolving loan fund. The organization makes loans to eligible applicants in areas exhibiting long-term economic deterioration. The initial capitalization of the Corporation was obtained through a grant from the U.S. Department of Commerce, Economic Development Administration.

The CSRA Rural Lending Authority, Inc. was organized pursuant to the Georgia Non-Profit Corporation Code on December 11, 1990. The corporation is exempt from Federal income taxes under Internal Revenue Code Section 501(c) (3) by virtue of a ruling of the Internal Revenue Service dated October 20, 1992. The objectives and purposes of the corporation are to operate an intermediary relending program (revolving loan program) and to make loans to eligible applicants in rural areas. The corporation is capitalized with a \$3,980,615 low interest loan from the Farmers Home Administration Intermediary Relending Program.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

The financial statements of the Center have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the Center also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements.

**A. BASIS OF PRESENTATION - FUND ACCOUNTING**

The Center uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specified activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary.

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For financial statement presentations purposes, the various funds of the Center are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

**Governmental Fund Types** are those through which most governmental functions of the Center are financed. The acquisition, use, and balances of the Center's expendable financial resources and the related current liabilities (except those accounted for in proprietary or trust funds) are accounted for through governmental funds. The following are the Center's governmental fund types.

**General Fund** is the operating fund of the Center and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Georgia.

**Special Revenue Fund** is used to account for the proceeds of the Center's grants and contracts that are restricted to expenditure for specific purposes. The Center accounts for all of its grants and contracts using only one special revenue fund. However, within this fund the Center maintains records by function.

**Proprietary Fund Types** are used to account for the Center's ongoing activities, which are similar to those, found in the private sector. The following are the Center's proprietary fund types.

**Enterprise Funds** are used to account for operations that are financed and operated in a manner similar to private enterprises where the intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through users charges or where it has been decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Internal Service Funds** are used to account for financing of services provided by one department to other departments of the Center.

**Fiduciary Fund Types** are used to account for assets held by the Center in a trustee or custodial capacity. The following are the Center's fiduciary fund types.

**Pension Trust Fund** is accounted for in essentially the same manner as proprietary funds.

**Flexible Compensation Plan**, an agency fund, is accounted for essentially in the same manner as governmental funds.

**Account Groups** are used to establish accounting control and accountability for general fixed assets. The following is the Center's account group.

**General Fixed Assets Account Group** is established to account for all fixed assets of the Center, other than those accounted for in the proprietary funds.

## **B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources (spending) measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating

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statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. The fund balance is a measure of "available resources."

All proprietary funds and the pension trust fund (nonexpendable trust fund) are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with operation of these funds are included on the balance sheet. Fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting is related to the timing of the measurements made.

Governmental and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current fiscal year. The available period for the Center is sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Revenues of the Center's governmental funds susceptible to accrual are dues from member governments and the earned portion of grant and contracts. Grant and reimbursable contract revenues are recognized when program expenditures are incurred in accordance with program guidelines. Such revenues are subject to review by the funding agency and may result in disallowance in subsequent periods. Accounts receivable are recognized for fixed price contracts at the time the contract is executed resulting in the recording of deferred revenue. Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Proprietary fund types and the pension trust fund use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

#### **C. CASH AND CASH EQUIVALENTS**

For reporting purposes, this includes bank accounts, petty cash, and all short-term investments having an original maturity of three months or less such as the state investment pool, certificates of deposits and money market certificates.

#### **D. INVESTMENTS**

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investments contracts such as certificates of deposits are reported at cost.

The Pension Trust's investment in mutual funds involves the Center indirectly in derivatives. However, information relating to the nature and purpose of the derivative transactions or the Center's exposure to credit risk, market risk, and legal risk is not available. (See Note 3).

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**E. INVENTORIES**

Materials (supplies) purchased are shown as expenditures when acquired and are not inventoried at year end due to a lack of materiality.

**F. PREPAID ITEMS**

Payments made to vendors for services that will benefit a subsequent period are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expense/expenditure is reported in the year in which services are consumed.

**G. FIXED ASSETS**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed asset account group. Fixed assets used in proprietary funds are capitalized in the respective fund.

Fixed assets are valued at historical cost or at an estimated fair market value if received by donation. Fixed assets of the Center consist of furniture, fixtures, and equipment. The Center has no public domain or infrastructure fixed assets, such as roads or bridges. The Center capitalizes those fixed assets having a useful life of more than one year and a unit cost of \$2,500 or more. Title to all non-expendable personal property acquired by the Center vests with the Center, subject to certain residual rights retained by the grantor agency for property acquired wholly or partially with grantor funds. Similarly, title to non-expendable personal property acquired by the Center's sub grantees vests with the sub grantees subject to certain residual rights retained by the grantor agency and the Center. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not recorded in the general fixed asset account or capitalized in the proprietary funds.

Assets in the general fixed asset account group are not depreciated. Depreciation in the proprietary fund types is computed using the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles	4 - 5
Office Equipment	5 - 10
Computer equipment	3 - 7
Leasehold improvements	10

**H. COMPENSATED ABSENCES**

The Center reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Benefits are accrued, as a liability as the benefits are earned where the employees' rights to receive compensation are attributable to services already rendered and the Center will compensate the employees for the benefits through paid time off or some other means.

Effective July 1, 2002 the Center adopted new leave policies. Paid Time Off was created to replace both vacation and sick leave. The new policy allowed existing employees to retain their unused sick leave at June 30, 2002 and use as needed until exhausted. In accordance with GASB Statement No. 16, no liability is recorded for non-vesting rights to sick benefits. The Center is not liable and no provision is made for the payment of unused sick pay upon



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termination. However, at June 30, 2003, the value of unused sick leave was \$109,669.

An employee is allowed to accumulate up to 400 hours of PTO at December 31. Hours accumulate at the rate of 12 to 19 hours per month, depending upon the years of service. The employee's right to receive compensation for PTO vests as earned and used through paid time off or cash payment at termination or retirement. At June 30, 2003, the Center was liable for \$145,518 of PTO. PTO is accrued when earned in the internal service fund and reported as a fund liability.

#### **I. LONG TERM OBLIGATIONS**

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

#### **J. RESERVES AND DESIGNATIONS OF FUND EQUITY**

The Center records reservations for those portions of fund equity that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation for expenditure. Fund equity reserves have been established for the advance to the Internal Service Fund and the balance in nonexpendable money purchase pension trust fund.

Reservations are limited to amounts that are legally restricted for a specific use by an organization outside the Center. Designations of fund balance on the other hand represent tentative management plans that are subject to change. (See Note 13) Undesignated fund balances represent that portion of fund equity that is available for appropriation in future periods.

#### **K. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of the expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as equity transfers. All other interfund transfers are reported as operating transfers. Receipts and/or payments to or from other governmental units not included in the reporting entity of the Center are not reported as transfers. They are classified according to the purpose for which the receipt or payment has been made.

Most of the Center's grants and contracts, particularly with federal agencies, require that a percentage of the costs be borne by local resources. Local matching funds are shown as transfers from the general fund to the special revenue fund. Transfers are also made for deficits resulting in a reimbursable grant or contract and for an excess or deficit in a fixed fee contract.

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**L. DIRECT COSTS AND ALLOCATION OF EMPLOYEE BENEFITS AND INDIRECT COSTS**

Costs that can be identified specifically with a particular grant, contract, or project are considered direct costs and are charged directly to the applicable grant, contract, or project. Costs that are incurred for a common or joint purpose benefiting more than one program or activity are considered indirect costs.

The Indirect Cost Fund, one of the Center's two internal service funds, is used to account for all administrative activities of the entity, including the indirect cost pool, payroll and fringe benefit payments and allocations, and the receipt and disbursement of all the Center's funds. The expenses of the fund are reflected net of the reimbursements.

Indirect costs are recorded in the Indirect Cost Fund and allocated to all grants, contracts, and projects in accordance with Office of Management and Budget Circular A-87. Recoveries of these costs are recorded as operating revenues in the Indirect Cost Fund and as expenditures or expenses in the paying fund.

The Center's employee benefits are allocated monthly to grants, contracts, and projects as a percentage of salaries. Total fringe benefits incurred by the Center for the year ended June 30, 2003 were \$607,400. With total salaries of \$1,397,233 as the allocation base, the effective employee benefit rate was 43.47%.

The Center's indirect costs are also allocated monthly to grants, contracts, and projects using direct chargeable salaries as the allocation base. Total indirect costs incurred by the Center for the year ended June 30, 2003 were \$788,953. With total direct salaries of \$1,083,599 as the allocation base, the effective indirect cost rate was 72.81%.

The Center maintains a cost allocation plan in support of its fringe benefit and indirect cost allocation methodologies.

**M. RISK MANAGEMENT**

The Center manages its risk from losses arising from physical damage to its assets purchased through state and federal grants, as well as claims and judgments, which may arise from employees or others (including worker's compensation claims) through the purchase of commercial insurance. During the year ended June 30, 2003, there were no appreciable reductions in amounts or nature of coverage. In addition, there have been no losses, claims or judgments in excess of insurance coverage during the three-year period ended June 30, 2003. The Center has no unsettled claims or judgments either from the current or prior fiscal years.

**N. ACCOUNTABILITY AND COMPLIANCE**

**Legal Compliance:**

As described in Note 1 the Center has included certain nonprofit corporations as its component units. Moreover, as described in Note 1, those corporations are included even though the specific criteria described in GASB 14 are not met. They are included only because exclusion would cause the Center's financial statements to be incomplete. Georgia's Attorney General in his Official Opinion 96-5 sets forth the specific criteria defining what constitutes control and accountability and references GASB Statement No. 14. That opinion repeats the criteria described in GASB 14 for determining whether accountability exists. The Center must exercise that degree of control over its nonprofit corporations, which will ensure that the nonprofit corporations are accountable or

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responsible to the Center. The Duty to exercise that control falls upon the Center's Board as its governing body. [O.C.G.A. § 50-8-34(a)] Based upon the accountability criteria described in Opinion 96-5, the governing documents of the nonprofit corporations, and the management agreement between the parties, the Center is non compliant.

**Deficit Retained Earnings:**

The Micro Loan Fund has a retained earnings deficit of \$141,793. General Fund funds are available to liquidate this deficit.

**O. MEMORANDUM ONLY - TOTAL COLUMNS**

Total columns on the general-purpose financial statements are captioned "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. Data in these columns do not present financial position; results of operations or cash flows in conformity with generally accepted governmental accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 3 - CASH AND CASH EQUIVALENTS, AND INVESTMENTS**

**A. DEPOSITS**

At year-end, the carrying amount of the reporting entity's deposits was \$2,216,210 and the bank balance was \$2,395,555. Of the bank balance, \$400,000 was covered by federal depository insurance and \$1,995,555 was covered by collateral in the name of the primary government and/or the component units.

The carrying amount of deposits for the Center (primary government) was \$79,641, and the bank balance was \$204,059. The carrying amount of deposits for the component units was \$2,136,569 and the bank balance was \$2,191,496.

**B. INVESTMENTS**

The Center is authorized to invest in obligations of the United States, bonds or certificates of indebtedness of the State of Georgia, repurchase agreements where the underlying security is one of the foregoing, certificates of deposit and the State of Georgia Local Government Investment Pool (LGIP). The pension trust fund is authorized to invest in securities consistent with ERISA prudence and diversity of risk standards, even though the pension trust fund need not legally conform with such ERISA requirements. The Center carries its marketable equity securities at fair value.

The state investment pool is a combined state general fund and local government pool managed by and operated by the state of Georgia Office of Treasury and Fiscal Services. The fund's director is authorized to invest in such securities as permitted by Georgia laws. This fund is managed to maintain a constant net asset value of \$1.00. Funds comprising the local government investment pool are managed in a manner consistent with Rule 2a-7 (of the investment company Act of 1940) like funds.

Investments of \$2,837,766 are categorized below to give an indication of the level of risk assumed by the Center at year-end.

- ♦ Category 1 includes investments that are insured or registered, or securities held by the entity or its agent in the entity's name.
- ♦ Category 2 includes uninsured and unregistered, with securities held by the counter party's trust department or agent in the entity's name.

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- ♦ Category 3 includes uninsured and unregistered, with securities held by the counterpart, or by its trust department or agent but not in the entity's name.

	<u>CATEGORY</u>			<u>FAIR</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>VALUE</u>
Common stocks	\$ -	\$ 587,807	\$ -	\$ 587,807
Bonds	-	530,658	-	530,658
	<u>\$ -</u>	<u>\$ 1,118,465</u>	<u>\$ -</u>	<u>\$ 1,118,465</u>
Investment in state of Georgia local government investment pool				1,184,885
Limited partnerships				1
Open end mutual funds				534,415
				<u>\$ 2,837,766</u>

**C. RECONCILIATION OF CASH AND CASH EQUIVALENTS, AND INVESTMENTS TO THE COMBINED BALANCE SHEET**

	<u>CARRYING</u> <u>AMOUNT</u>	<u>BANK</u> <u>BALANCE</u>	<u>INVESTMENTS</u>	<u>FAIR VALUE</u>
Cash on hand	\$ 1,324	\$ -	\$ -	\$ -
Deposits	2,216,210	2,395,555	-	-
State investment pool	<u>1,184,885</u>	-	-	1,184,885
Total Cash and Cash Equivalents	<u>\$ 3,402,419</u>			
Less petty cash & cash on hand	\$ (1,324)	-	-	-
Less state investment pool	(1,184,885)	-	-	-
Common stocks	-	-	587,807	587,807
Bonds	-	-	530,658	530,658
Limited partnerships	-	-	1	1
Open end mutual funds	<u>-</u>	<u>-</u>	<u>534,415</u>	<u>534,415</u>
Grand Total	<u>\$ 2,216,210</u>	<u>\$ 2,395,555</u>	<u>\$ 1,652,881</u>	<u>\$ 2,837,766</u>

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**NOTE 4 - ACCOUNTS RECEIVABLE AND DEFERRED REVENUES**

**A detail of accounts receivable and deferred revenues follows:**

	<u>Accounts Receivable</u>	<u>Deferred Revenue</u>
General Fund:		
Augusta-Richmond County	\$ 28,171	\$ -
Special Revenue Fund:		
Burke Cnty BOC	\$ -	\$ 2,910
City of Adrian	1,313	-
City of Harlem	2,255	-
City of Keysville	2,092	-
City of Lincolnton	1,641	-
City of Midville	8,275	-
City of Sandersville	4,504	-
City of Sardis	4,946	-
City of Sylvania	2,904	-
City of Tennille	2,980	-
City of Thomson	5,797	-
City of Washington	8,974	-
City of Waynesboro	5,086	3,236
City of Wrightsville	-	899
City of Wrens	7,415	-
City of Grovetown	-	758
Columbia Cnty BOC	4,629	-
Glascock Cnty BOC	6,431	-
Jefferson Cnty BOC	23,712	12,472
Jefferson Cnty Dev Auth	10,000	9,676
Jenkins Cnty BOC	11,890	14,896
Lincoln Cnty BOC	15,000	14,330
McDuffie Cnty BOC	6,715	-
McDuffie Cnty IDA	2,250	2,268
Misc	326	-
Sandersvill Tech College	28,509	13,164
Taliaferro Cnty BOC	14,893	13,501
Warren Cnty BOC	21,944	16,054
Wilkes Cnty BOC	2,175	-
GA Dept. of Community Affaris, FY 2003 Support	35,200	-
GA Dept. of Community Affaris, SSBG Enterprise Community # 95-EC-R-8-100-2a	1,816	-
GA Dept. of Human Resources, Coordinated Transportation Contract #427-93-35320	146,042	-

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	<u>Accounts Receivable</u>	<u>Deferred Revenue</u>
GA Dept. of Human Resources, Multi-Funded Aging Services Contract #427-93-35079	901,293	-
GA Dept. of Human Resources, Self-Directed Care Contract #427- 93-36089	8,913	-
GA Dept. of Natural Resources, Historic Preservation	4,247	-
GA Dept. of Natural Resources, FY 2002 Section 106 Grant	5,175	-
GA Dept. of Natural Resources, FY 2003 Section 106 Grant	618	-
GA Dept. of Transportation, Planning Agreement #484 330 3000	43,826	-
US Dept. of Commerce EDA Planning Grant #048304636-01	17,519	-
Area Agency on Aging - Local Funds		25,431
Unified Development Council - Local Funds		29,085
Total grants & contracts	\$ 1,371,305	\$ 158,680
Columbia Cnty COC	\$ 175	\$ -
Internal Service Fund:		
Lincoln Cnty BOC	\$ 5,600	\$ 1,000
Employee travel advances	4,554	
Total other	\$ 10,154	\$ 1,000
Trust and Agency Fund:		
BNY Brokerage, Inc.	\$ 127,460	\$ -
Contributions	4,601	
Interest and dividends	4,181	
Total other	\$ 136,242	\$ -
Grand Totals	\$ 1,546,047	\$ 159,680

**NOTE 5 - CHANGES IN FIXED ASSETS**

A summary of activity in General Fixed Assets follows:

	<u>BALANCE 06/30/2002</u>	<u>ADDITIONS</u>	<u>DISPOSALS RETIREMENTS</u>	<u>BALANCE 06/30/2003</u>
Property & equipment				
Administration	\$ 3,032	\$ -	\$ 3,032	\$ -
Information	20,632	-	6,831	13,801
Area Agency on Aging	126,209	-	53,504	72,705
Grand Total	\$ 149,873	\$ -	\$ 63,367	\$ 86,506

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**A summary of fixed asset activity in the Internal Service Funds follows:**

	BALANCE 06/30/2002	ADDITIONS	DISPOSALS RETIREMENTS	BALANCE 06/30/2003
Leasheold improements	\$ 29,136	\$ -	\$ -	\$ 29,136
Property & equipment	287,340	-	26,960	260,380
Vehicles	51,792	21,426	16,100	57,118
GIS computer equipment	32,360	-	-	32,360
Accumulated depreciation	(189,365)	(52,150)	37,499	(204,016)
	<u>\$ 211,263</u>	<u>\$ (30,724)</u>	<u>\$ 80,559</u>	<u>\$ 174,978</u>

**A summary of fixed asset activity in the Component Units follows:**

	BALANCE 06/30/2002	ADDITIONS	DISPOSALS RETIREMENTS	BALANCE 06/30/2003
<b>CSRA Resource Development Agency, Inc.</b>				
Property & equipment	\$ 233	\$ -	\$ -	\$ 233
Accumulated depreciation	(233)	-	-	(233)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>CSRA Local Development Corp., Inc.</b>				
Property & equipment	\$ 27,519	\$ -	\$ -	\$ 27,519
Accumulated depreciation	(21,379)	(2,383)	-	(23,762)
Total	<u>\$ 6,140</u>	<u>\$ (2,383)</u>	<u>\$ -</u>	<u>\$ 3,757</u>
<b>CSRA Rural Lending Agency, Inc.</b>				
Property & equipment	\$ 233	\$ -	\$ -	\$ 233
Accumulated depreciation	(233)	-	-	(233)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Grand Total	<u>\$ 6,140</u>	<u>\$ (2,383)</u>	<u>\$ -</u>	<u>\$ 3,757</u>

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**NOTE 6 - INTERFUND RECEIVABLE / PAYABLE**

A schedule of interfund receivable and payable follows:

	INTERFUND	
	RECEIVABLE	PAYABLES
<b>PRIMARY GOVERNMENT:</b>		
General Fund:		
Due from special revenue fund	\$ 1,095,805	\$ -
Due to indirect cost fund	-	46,930
Due to computer services fund	-	27,280
Due to special revenue fund	-	29,624
Due to enterprise fund	-	181,264
Due to trust & agency fund	-	3,468
Total General Fund	\$ 1,095,805	\$ 288,566
Special Revenue Fund:		
Due from general fund	\$ 28,909	\$ -
Due to general fund	-	1,095,090
Total Special Revenue Fund	\$ 28,909	\$ 1,095,090
Enterprise Fund:		
Due from general fund	\$ 181,264	\$ -
Internal Service Funds:		
Due from general fund - indirect cost fund	\$ 46,930	\$ -
Due from general fund - computer services fund	27,280	-
Total Internal Service Funds	\$ 74,210	\$ -
Trust and Agency Funds:		
Due from general fund	\$ 3,468	\$ -
Total Primary Government	\$ 1,383,656	\$ 1,383,656

**NOTE 7 - RESTRICTED ASSET/HELD IN TRUST FOR BORROWER**

The CSRA Local Development Corporation, Inc. (CSRA LDC) (a component unit) held funds on behalf of a 504 loan recipient. The restricted asset represented an investment in a certificate of deposit held in trust for the benefit of a deceased borrower. The borrower was a member of a partnership, all of whom were listed on the note. The funds represented the proceeds from a life insurance policy on the borrower. The Small Business Administration (SBA) was the owner of the policy via a collateral assignment for its 504 loan. Because the proceeds were initially not sufficient to pay off the SBA 504 loan without penalty, SBA instructed CSRA LDC under its servicing agreement with SBA to hold the proceeds in trust until such time as the proceeds were sufficient to pay off the loan without incurring a prepayment penalty. SBA furthered instructed CSRA LDC to transfer the interest earned on the proceeds monthly to the remaining partners to supplement their continuing payment to SBA. During the fiscal year, the loan balance reached the point where the early prepayment penalty no longer applied. At that time, \$441,365 was disbursed to the remaining borrowers. During the fiscal year, the CSRA LDC collected and remitted to the trust recipient interest in the amount of \$14,121.



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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

**NOTE 8 - MONEY PURCHASE PENSION PLAN**

The Center's Board of Directors is the authority under which the plan was established. All authority to make changes to the plan documents, trustees, investment advisors, or change the rate of contributions is vested in the Center's Board of Directors. Substantially all employees are covered by the Center's single employer money purchase plan, which is a defined contribution plan. All employees who have attained the age of twenty-one and completed one year of service are eligible to participate in the plan. The Center's contribution for each employee and earnings thereon are partially vested after three years of continuous service and fully vested after seven years of continuous service. The Center's contribution for, and interest forfeited by, employees who leave employment before becoming fully vested are allocated among eligible participants. The Center is obligated to contribute 15% of each eligible employee's annual compensation and employees cannot make voluntary contributions. The plan is qualified under Section 401(a) of the Internal Revenue Code and the Trust created by the Plan is exempt from tax under Section 501(a) of the Internal Revenue Code. The plan was amended May 12, 1997, changing the trustees from the executive committee of the Center's Board of Directors to SunTrust Bank, Augusta. There have been no other amendments or changes to the plan, during the current fiscal year. The plan assets contain no securities of or loans to the Center or any other related party.

The Center's total current-year payroll for all employees is \$1,559,456 of which \$1,303,293 is for employees covered by the plan. The Center contributed \$234,770 or 18% of the covered payroll into the plan for the period ended June 30, 2003.

**NOTE 9 - CHANGES IN LONG-TERM OBLIGATIONS**

A summary of long-term debt activity follows:

	BALANCE 06/30/2002	ADDITIONS	RETIREMENTS	BALANCE 06/30/2003
Internal Service Fund:				
Capital leases	\$ 9,677	\$ -	\$ 9,677	\$ -
Annual leave	102,345	124,539	81,366	145,518
Total Primary Government	\$ 112,022	\$ 124,539	\$ 91,043	\$ 145,518
Component Units:				
CSRA Rural Lending Authority, Inc. Notes Payable	\$ 4,206,971	\$ 330,000	\$ 131,193	\$ 4,405,778
Total Reporting Entity	\$ 4,318,993	\$ 454,539	\$ 222,236	\$ 4,551,296

**NOTE 10 - LONG-TERM OBLIGATIONS**

In a prior year, the Center executed two leases with Xerox Corporation (Xerox) under a negotiated contract between Xerox and the State of Georgia. Each lease meet the criteria of a capital lease and was accounted for accordingly. The leases had a sixty (60) month term and options to exchange equipment or to purchase the equipment. The Center has

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

capitalized this equipment with a salvage value equal to the purchase option. In October 2002 the Center exercised the option to exchange the equipment without obligation. At this time, the book value approximated the remaining principal balances. The Center then entered into operating leases with Xerox for replacement equipment. See note 14.

**Component Units:**

**Note 1:** The Central Savannah River Area Rural Lending Authority, Inc. (CSRA RLA) borrowed \$1,000,000 from the U. S. Department of Agriculture, Rural Development (USDA RD) under a loan agreement dated October 30, 1991. Interest accrues at the rate of one percent (1%) per annum with payments of \$39,900 beginning January 1, 1994 and continuing until January 1, 2022.

**Note 2:** CSRA RLA executed a second loan agreement on July 26, 1994 with USDA RD to borrow an additional \$1,000,000. Interest accrues at the rate of one percent (1%) per annum with payments of \$39,900 beginning January 1, 1997 and continuing until January 1, 2026.

**Note 3:** On July 31, 1998, the CSRA RLA executed an assumption agreement with Georgia Department of Community Affairs f/k/a GHFA Economic Financing Inc. (DCA) and USDA RD conferring to the CSRA RLA the rights and obligations under the note dated May 26, 1994. The principal balance of the note on July 31, 1998 was \$1,918,935 and at that time, \$1,487,500 of the principal remained to draw. Interest accrues at the rate of one percent (1%) per annum with payments of \$84,900 beginning January 1, 2002 and continuing until January 1, 2024. Interest only payments were due January 1, 2001 and January 1, 2002. Prior to the assumption DCA received \$512,500 of which \$81,065 was repaid. See following Premium on Loan (Note 3).

**Note 4:** CSRA RLA executed a fourth agreement on December 13, 1999 with USDA RD to borrow an additional \$500,000. Interest accrues at the rate of one percent (1%) per annum. Interest only is due on the note for the first three years. Thereafter, principal and interest will be paid in twenty-seven (27) equal amortized installments beginning December 31, 2003 with any remaining balance due and payable thirty (30) years from the date of the note.

**Note 5:** CSRA RLA executed a fifth agreement on June 26, 2001 with USDA RD to borrow an additional \$750,000. Interest accrues at the rate of one percent (1%) per annum. Interest only is due on the note for the first three years. Thereafter, principal and interest will be paid in twenty-seven (27) equal amortized installments beginning December 31, 2004 with any remaining balance due and payable thirty (30) years from the date of the note. Funds are drawn on the note as needed to close the re-lending loans. The CSRA RLA received loan proceeds of \$356,250 during FY 2002 and \$330,000 during FY 2003. Funds of \$63,750 remain to draw.

Funds from all five loans are used to implement the Intermediary Relending Program (IRP) and are loaned to qualified borrowers. The CSRA RLA has pledged as collateral the balance of all loans receivables resulting from the re-lending of the proceeds of these notes and all other real and personal property of the CSRA RLA, Inc.

**Premium on Loan (Note 3):** As part of the assumption agreement, CSRA RLA assumed three loans made by DCA from the \$512,500 proceeds. The transaction resulted in the CSRA RLA paying a \$73,889 premium for the right to assume the loan from DCA. This premium is being amortized over the term of the note.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

Value of loans receivable from DCA 7/31/98	\$ 357,545
Loan proceeds remaining to draw 7/31/98	<u>1,487,500</u>
Value of assets assumed 7/31/98	\$ 1,845,045
Note payable obligation assumed from DCA	<u>(1,918,935)</u>
Premium on loan assumed	\$ 73,890
Accumulated amortization	<u>14,208</u>
Carrying value at year end	<u><u>\$ 59,682</u></u>

Annual debt service requirements to maturity for long-term obligations including interest follow:

FISCAL YEAR		COMPONENT UNITS					
ENDING							
<u>JUNE 30,</u>	<u>NOTE 1</u>	<u>NOTE 2</u>	<u>NOTE 3</u>	<u>NOTE 4</u>	<u>NOTE 5</u>	<u>Total</u>	
2004	\$ 39,900	\$ 39,900	\$ 84,900	\$ -	\$ -	\$ 164,700	
2005	39,900	39,900	84,900	-	-	164,700	
2006	39,900	39,900	84,900	-	-	164,700	
2007	39,900	39,900	84,900	21,866	31,834	218,400	
2008	39,900	39,900	84,900	21,866	31,834	218,400	
Thereafter	558,600	678,300	1,409,535	546,645	795,854	3,988,934	
Total	\$ 758,100	\$ 877,800	\$ 1,834,035	\$ 590,377	\$ 859,522	\$ 4,919,834	
Less amount remaining to draw	-	-	-	-	(63,750)	(63,750)	
Less amount representing interest	(72,697)	(130,571)	(47,139)	(90,377)	(109,522)	(450,306)	
Total	\$ 685,403	\$ 747,229	\$ 1,786,896	\$ 500,000	\$ 686,250	\$ 4,405,778	

**NOTE 11 - CONTRIBUTED CAPITAL**

The Center established an internal service fund on July 1, 1993 by transferring fixed assets from the general fixed asset account group and liabilities from the general long-term debt account group. The Center capitalized and recorded the assets at their original cost, less an amount equivalent to the depreciation that would have been recorded had the assets been initially recorded in the internal service fund. The internal service fund was established in accordance with accounting practices required of regional development centers operating in the State of Georgia.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

**A summary of activity in the contributed capital accounts follows:**

## INTERNAL SERVICE FUND

<b>Balance 06/30/2002</b>	<b>\$ 124,670</b>
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<b>Balance 06/30/2003</b>	<b>\$ 124,670</b>
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**Component Units:**

In prior years, the Board of Directors of the CSRA Local Development Corporation, Inc. (CSRA LDC) authorized equity injections to the CSRA Rural Lending Authority, Inc. (CSRA RLA) to off-set loan losses. These equity transfers were recognized as permanent capital transfers by the CSRA LDC and contributed capital by the CSRA RLA.

**CSRA RURAL LENDING AUTHORITY, INC.**

<b>Balance 06/30/2002</b>	<b>\$ 437,500</b>
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<b>Balance 06/30/2003</b>	<b>\$ 437,500</b>
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**NOTE 12 – RETAINED EARNINGS RESERVED FOR CAPITALIZATION OF REVOLVING  
LOAN FUND**

The Center on April 10, 1997 was awarded a \$500,000 grant from the U. S. Department of Agriculture Rural Economic and Community Development office to establish a Micro-enterprise revolving loan program. The funds are to assist in financing and facilitating the development of small and emerging private business enterprises within the qualifying rural areas served by the Center. The funds are legally restricted by the terms of the grant agreement for use in establishing a revolving loan fund.

**Component Units:**

**CSRA Resource Development Agency, Inc. The CSRA Resource Development Agency, Inc. heretofore received a \$1,000,000 grant from the U. S. Department of Commerce - Economic Development Administration to create a revolving loan fund. The fund is used to make loans to eligible applicants who create and/or retain jobs and to stimulate economic growth in the CSRA. The funds are legally restricted by the terms of the grant agreement for use in establishing a revolving loan fund.**

## NOTE 13 – DESIGNATIONS OF FUND

### Unemployment Insurance Claims:

In prior years, the Center established a designation for its self-insurance of unemployment compensation claims. Under this plan, the Center elected to reimburse the State system in lieu of contributions under O.C.G.A. Section 34-8-123 of the Employment Security Law. Under this plan, the Center reimburses the State Unemployment System based upon unemployment claims paid to former employees of the Center.

The designation was established by charging and including in the fringe benefit rate a percentage of gross payroll, until an amount was established which management believed

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

was sufficient to cover subsequent claims. The Center, once the fund is depleted, intends to charge unemployment payments as incurred. Activity in the designation for the fiscal year ended June 30, 2003 is as follows:

Balance 06/30/2003	\$1,378
Activity 07/01/2002 - 06/30/2003	<u>0</u>
Balance 06/30/2003	<u>\$1,378</u>

**Property Sale Proceeds:**

On August 9, 2001, the Center sold its prior office property for \$289,000. At that time, the executive committee of the Board of Directors elected to designate the proceeds from other funds.

**NOTE 14 – OPERATING LEASES**

The Center has entered into certain agreements to lease real property and equipment that are classified as operating leases. These leases generally contain provisions that, at the expiration of the original term of the lease, the Center has the option to renewing the lease.

The Center occupies its administrative offices under an operating lease, which expires June 30, 2009. The lease is renewable annually with an initial annual rent of \$69,773.90. This rental amount consists of two components: (1) annual rental of \$64,687.50, which is subject to annual increases not to exceed 3% and (2) a fixed monthly add-on of \$508.64. The add-on is fixed for 120 payments. However, if the Center terminates the lease early it is obligated to pay a fee equal to \$61,036.80 less the number of months the add-on has been paid. The Center is also required to pay a common area maintenance fee in addition to the monthly components 1 and 2.

The future minimum commitments for operating leases as of June 30, 2003, are listed below:

**FISCAL YEAR**

ENDING	Real Estate		
<u>JUNE 30,</u>	<u>Component 1</u>	<u>Component 2</u>	<u>Equipment</u>
2004	\$ 66,382	\$ 6,104	\$ 9,502
2005	67,378	6,104	9,502
2006	68,389	6,104	9,502
2007	69,415	6,104	9,502
2008	70,456	6,104	3,167
Thereafter	71,513	14,751	-
	<u>\$ 413,533</u>	<u>\$ 45,271</u>	<u>\$ 41,175</u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

The Center's expenses for property and equipment leases for the fiscal year are listed below:

Component 1	\$ 65,535
Component 1	6,104
Common area maintenance	9,281
Equipment	<u>6,335</u>
 Total	 <u><u>\$ 87,255</u></u>

**NOTE 15 - RECEIVABLE - LOCAL PARTICIPATION**

A significant portion of revenue reported in the General Fund consists of dues from member counties and municipalities within the Center's geographic region. Georgia law and the Center's by-laws stipulate a mandatory annual local funding formula. Georgia law requires all local governments to be a member of a regional development center and to pay a minimum dues amount of \$.25 per capita. Each member municipality and county pays dues for membership at various rates based on its population. Those members whose population is less than 70,000 pay \$1.00 per capita, those member whose population is greater than 70,000 but less than 190,000 pay \$.75 per capita, and those whose populations are greater than 189,999 pay \$.55 per capita. The population amount for each member is based on the 2000 census data.

During the twelve months ended June 30, 2003, the Center collected \$324,290 in dues from member counties and municipalities. At year end \$28,171 was due (See Note 4).

**NOTE 16 - LOANS RECEIVABLE**

The Center made loans to eligible small businesses through its Micro Enterprise Revolving Loan Fund (MERLF). The MERLF has a loan portfolio of twelve notes with maturities ranging from five to seven years and interest rates ranging from 3% to 10%. At June 30, 2003, the fund was committed to loan \$102,000.

**Component Units:**

Numerous loans were made to eligible small businesses through the Center's Revolving Loan Programs operated by the CSRA Resources Development Agency, Inc. CSRA Local Development Corp. Inc. and the CSRA Rural Lending Authority, Inc.

The CSRA Resources Development Agency, Inc. has a loan portfolio of nineteen notes with maturates ranging from seven to ten years with an average interest rate of 6.73% percent.

The CSRA Rural Lending Authority, Inc. has a loan portfolio of forty-six notes with maturities ranging from five to ten years and an average interest rate of 7.58 %. All of the loans are assigned with recourse to the U. S. Department of Agriculture – Rural Development as collateral for the CSRA Rural Lending Authority, Inc. notes payable.

At June 30, 2003, the CSRA Resource Development Agency, Inc. was committed to loan \$150,000 and the CSRA Rural Lending Authority, Inc. was committed to loan \$200,000.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

**Allowance for Doubtful Accounts - Activity**

The provision for doubtful accounts is the amount that is considered adequate to provide for potential losses in the portfolio. Management's evaluation of the adequacy of the allowance is based on a review of individual loans, recent loss exposure, current economic conditions, risk characteristics of the borrowers, value of underlying collateral, and other factors. Management believes that the allowances are adequate.

	PRIMARY GOVERNMENT		COMPONENT UNITS	
	MICRO ENTERPRISE REVOLVING LOAN FUND	CSRA RESOURCE DEVELOPMENT AGENCY, INC.	CSRA RURAL LENDING AUTHORITY, INC.	TOTAL
Balance, 06/30/2002	\$ 129,819	\$ 106,408	\$ 459,979	\$566,387
Provision for bad debts	-	-	320,123	320,123
Loan written-off	(32,049)	-	(249,590)	(249,590)
Balance, 06/30/2003	\$ 97,770	\$ 106,408	\$ 530,512	\$636,920

**NOTE 17 – BUDGETS**

The Center's Board of Directors formally approves an annual budget and work program. However, as the Center has no taxing or oversight authority, the budgetary process is not one, which culminates in an appropriation bill or an ordinance enacted into law. In this respect, the budget for the Center is not a legally adopted budget. Therefore a statement of revenues and expenditures – budget to actual has not been included as part of the general-purpose financial statements. Budgets are adopted for the general fund, special revenue fund, and internal service funds on a basis consistent with generally accepted governmental accounting principles.

**NOTE 18 - CONTINGENCIES**

Use of federal, state and locally administered federal and other grant funds is subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. To the extent that such disallowances involve expenditures under subcontracted arrangements, the Center generally has the right of recovery from such third parties. All of these third parties are either state or local government entities or non-profit sub recipients covered by the audit provisions of U. S. Office of Management and Budget (1997) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The Circular requires sub recipients to have made periodic independent audits of their operations. Circular A-133 requires the Center to obtain copies of such audits and permits the Center to rely on such audits, if they meet the requirements the Circular. Many audits for or including the year ended June 30, 2003 have not yet been performed. Accordingly, the Center's compliance with this requirement will be established at some future date. The amount, if any, of sub recipient expenditures which may be disallowed by the Center after reviewing these audits cannot be determined at this time although the Center expects such amounts, if any, to be immaterial. Based upon prior experience and audit results, management believes that the Center will not incur significant losses on possible grant disallowances.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

**NOTE 19 – PRONOUNCEMENT ISSUED BUT NOT YET ADOPTED**

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, establishes financial reporting standards for state and local governments, including states, cities, towns, villages, and special-purpose governments such as school districts and public utilities. Some of the more significant aspects of the new standard include: reporting the overall state of the government's financial health, not just individual funds; providing the most complete information ever available about the cost of delivering services to the citizens; including for the first time information about the government's public infrastructure assets – such as bridges, roads, and storm sewers; and including an introductory section analyzing the government's financial performance. The Center is required to adopt this Statement for the fiscal year ending June 30, 2004. The adoption of this statement will have a material effect on the Center's financial statements.



## **GENERAL FUND**

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The General Fund is the general operating fund for CSRA RDC. It is used to account for all financial resources except those required to be accounted for in another fund.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
STATEMENT OF REVENUES, EXPENDITURES, AND  
AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003  
(With comparative totals for the fiscal year ended June 30, 2002)**

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
<b>REVENUES</b>		
Local government dues	\$ 322,867	\$ 322,786
Sales and services	<u>12,820</u>	<u>5,225</u>
<b>TOTAL REVENUES</b>	<u>\$ 335,687</u>	<u>\$ 328,011</u>
<b>EXPENDITURES</b>		
Personal services	\$ -	\$ 865
Travel	1,420	1,567
Supplies	1,296	931
Contractual	5,600	-
Maintenance & upkeep - equipment & building	-	1,005
Dues, subscriptions, & publications	4,286	7,275
Motor vehicle expense	779	791
Insurance & bonding	4,850	4,512
Conferences and seminars	499	1,345
Board meetings	13,148	14,219
Staff recruiting	1,130	-
Cost allocation	<u>-</u>	<u>518</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 33,008</u>	<u>\$ 33,028</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 302,679</u>	<u>\$ 294,983</u>
<b>OTHER FINANCING SOURCES AND USES</b>		
Gain on sale of property	\$ -	\$ 59,474
Operating transfers in	74,842	231,579
Operating transfers out	<u>(286,960)</u>	<u>(306,228)</u>
<b>TOTAL OTHER SOURCES AND USES</b>	<u>\$ (212,118)</u>	<u>\$ (15,175)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ 90,561</u>	<u>\$ 279,808</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>\$ 984,589</u>	<u>\$ 704,781</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 1,075,150</u></u>	<u><u>\$ 984,589</u></u>

The accompanying notes are an integral part of these financial statements.

## **ENTERPRISE FUND**

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**The Enterprise Fund is used to account for revenues and expense resulting from the operation of a micro enterprise revolving loan fund created by the Center as a result of a Rural Enterprise Grant from USDA Rural Economic and Community Development.**

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**MICRO ENTERPRISE REVOLVING LOAN FUND**  
**BALANCE SHEET**  
**JUNE 30, 2003**  
(With comparative totals at June 30, 2002)

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
<b>ASSETS</b>		
Loans receivable - current	\$ 45,654	\$ 49,544
Less allowance for doubtful accounts	(97,770)	(129,819)
Receivable - interest	827	2,664
Due from other funds	181,264	193,373
Loans receivable - long-term	<u>228,232</u>	<u>244,283</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 358,207</u></u>	<u><u>\$ 360,045</u></u>
<b>LIABILITIES</b>		
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND EQUITY</b>		
Retained earnings, reserved for capitalization of revolving loan fund	\$ 500,000	\$ 500,000
Retained earnings, unreserved	<u>\$ (141,793)</u>	<u>\$ (139,955)</u>
<b>TOTAL FUND EQUITY</b>	<u><u>\$ 358,207</u></u>	<u><u>\$ 360,045</u></u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$ 358,207</u></u>	<u><u>\$ 360,045</u></u>

The accompanying notes are an integral part of these financial statements.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
MICRO ENTERPRISE REVOLVING LOAN FUND  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND EQUITY/RETAINED EARNING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003  
(With comparative totals for the fiscal year ended June 30, 2002)**

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
<b>OPERATING REVENUES</b>		
Interest income	\$ 16,394	\$ 20,524
Late charges	176	549
Loan processing fees	290	1,007
<b>TOTAL REVENUES</b>	<u>\$ 16,860</u>	<u>\$ 22,080</u>
<b>OPERATING EXPENSES</b>		
Personal services	\$ 13,604	\$ 11,844
Travel	81	-
Supplies	73	60
Cost allocation plan	7,033	7,383
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 20,791</u>	<u>\$ 19,287</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ (3,931)</u>	<u>\$ 2,793</u>
<b>NONOPERATING REVENUE</b>		
Federal grant	\$ -	\$ 8,916
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<u>\$ (3,931)</u>	<u>\$ 11,709</u>
Operating transfers in from other funds	\$ 2,093	\$ 11,150
<b>NET INCOME (LOSS)</b>	<u>\$ (1,838)</u>	<u>\$ 22,859</u>
<b>FUND EQUITY, BEGINNING OF YEAR</b>	<u>\$ 360,045</u>	<u>\$ 337,186</u>
<b>FUND EQUITY, END OF YEAR</b>	<u><u>\$ 358,207</u></u>	<u><u>\$ 360,045</u></u>

The accompanying notes are an integral part of these statements.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
MICRO ENTERPRISE REVOLVING LOAN FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003  
(With comparative totals for the fiscal year ended June 30, 2002)**

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (3,931)	\$ 2,793
Adjustments to reconcile operating income to net cash provided by operations		
Change in assets & liabilities:		
(Increase) decrease in receivable - interest	1,837	(558)
(Increase) decrease in due from other funds	<u>12,109</u>	<u>31,724</u>
<b>NET CASH PROVIDED (USED) BY OPERATIONS</b>	<u>\$ 10,015</u>	<u>\$ 33,959</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>		
Operating transfers from other funds	\$ 2,093	\$ 11,150
Subsidy received from federal grant	<u>-</u>	<u>8,916</u>
<b>NET CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>	<u>\$ 2,093</u>	<u>\$ 20,066</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loan principal disbursed	\$ (79,000)	\$ (100,700)
Loan principal received	<u>66,892</u>	<u>46,675</u>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>\$ (12,108)</u>	<u>\$ (54,025)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	\$ -	\$ -
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

## **INTERNAL SERVICE FUNDS**

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**Internal Service Funds are used to account for the financing of goods and services provided by the one department to other departments on a cost reimbursement basis.**

**The Center maintains two internal service funds - Indirect Cost Fund and Computer Services Fund. The Indirect Cost Fund is used to account for the allocations of indirect costs, payroll and fringe benefit payments and their allocation, and the receipt and disbursement of all the Center's funds. The expenses of the fund are reflected net of reimbursements. The Computer Services Fund is used to account for the operations of the Center's computer services and geographic information services activities.**

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS**  
**JUNE 30, 2003**  
(With comparative totals for the year ended June 30, 2002)

	INDIRECT COST FUND	COMPUTER SERVICES FUND	TOTALS	
			June 30, 2003	June 30, 2002
<b>ASSETS</b>				
Cash	\$1,264,576	\$ -	\$ 1,264,576	\$ 1,051,470
Receivable - other	4,554	5,600	10,154	1,572
Due from other funds	46,930	27,280	74,210	73,979
Prepaid expenses	8,741	7,320	16,061	14,920
Furniture, fixtures, and equipment	346,635	32,360	378,995	400,628
Less accumulated depreciation	(182,758)	(21,259)	(204,017)	(186,879)
Security deposit	5,778	-	5,778	5,778
<b>TOTAL ASSETS</b>	<b>\$1,494,456</b>	<b>\$ 51,301</b>	<b>\$ 1,545,757</b>	<b>\$ 1,361,468</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 811,431	\$ -	\$ 811,431	\$ 698,983
Accrued expenses	56,964	-	56,964	50,280
Accrued leave payable	145,518	-	145,518	102,345
Deferred revenue	-	1,000	1,000	-
Long-term debt - current portion	-	-	-	5,979
Working capital advance from general fund	235,635	-	235,635	235,635
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$1,249,548</b>	<b>\$ 1,000</b>	<b>\$ 1,250,548</b>	<b>\$ 1,093,222</b>
Long-term debt - current portion	\$ -	\$ -	\$ -	\$ 3,698
<b>TOTAL LIABILITIES</b>	<b>\$1,249,548</b>	<b>\$ 1,000</b>	<b>\$ 1,250,548</b>	<b>\$ 1,096,920</b>
<b>FUND EQUITY</b>				
Contributed capital	\$ 74,369	\$ 50,301	\$ 124,670	\$ 124,671
Retained earnings, unreserved	170,539	-	170,539	139,877
<b>TOTAL FUND EQUITY</b>	<b>\$ 244,908</b>	<b>\$ 50,301</b>	<b>\$ 295,209</b>	<b>\$ 264,548</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$1,494,456</b>	<b>\$ 51,301</b>	<b>\$ 1,545,757</b>	<b>\$ 1,361,468</b>

The accompanying notes are an integral part of these financial statements.



**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND EQUITY/RETAINED EARNINGS - INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**  
(With comparative totals at the year ended June 30, 2002)

	INDIRECT COST FUND	COMPUTER SERVICES FUND	TOTALS	
			June 30, 2003	June 30, 2002
<b>OPERATING REVENUES</b>				
Charges for services	\$ 788,932	\$ 140,981	\$ 929,913	\$ 889,931
Miscellaneous income	<u>22</u>	<u>-</u>	<u>22</u>	<u>416</u>
<b>TOTAL REVENUES</b>	<b>\$ 788,954</b>	<b>\$ 140,981</b>	<b>\$ 929,935</b>	<b>\$ 890,347</b>
<b>OPERATING EXPENSES</b>				
Personal services	\$ 450,977	\$ 96,552	547,529	\$ 460,806
Travel	4,367	1,130	5,497	3,677
Supplies	53,461	20,533	73,994	61,357
Professional fees	33,578	-	33,578	35,853
Telecommunications	31,027	-	31,027	56,066
Maintenance & upkeep - equipment & building	14,380	-	14,380	18,362
Utilities	13,514	-	13,514	12,651
Insurance	16,201	-	16,201	12,735
Dues, subscriptions, & publications	5,997	800	6,797	5,673
Rentals - other than real estate	11,328	-	11,328	3,783
Rentals - real estate	80,919	-	80,919	80,525
Motor vehicle expense	8,360	-	8,360	9,586
Postage and freight	12,165	4	12,169	15,398
Conferences and seminars	2,236	745	2,981	2,409
Staff recruiting	1,653	-	1,653	860
Temporary personnel	-	-	-	1,472
Computer services	-	-	-	14,084
Cost allocation plan	-	50,260	50,260	38,140
Depreciation	<u>48,535</u>	<u>3,615</u>	<u>52,150</u>	<u>55,305</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 788,698</b>	<b>\$ 173,639</b>	<b>\$ 962,337</b>	<b>\$ 888,742</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 256</b>	<b>\$ (32,658)</b>	<b>\$ (32,402)</b>	<b>\$ 1,605</b>
<b>NONOPERATING INCOME (EXPENSE)</b>				
Interest income	\$ 19,529	\$ -	\$ 19,529	\$ 20,615
Gain on sale of property	-	-	-	140,779
Interest expense	<u>(256)</u>	<u>-</u>	<u>(256)</u>	<u>(1,232)</u>
<b>TOTAL NONOPERATING INCOME (EXPENSE)</b>	<b>\$ 19,273</b>	<b>\$ -</b>	<b>\$ 19,273</b>	<b>\$ 160,162</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>\$ 19,529</b>	<b>\$ (32,658)</b>	<b>\$ (13,129)</b>	<b>\$ 161,767</b>
<b>OPERATING TRANSFERS</b>				
Operating transfers in	\$ -	\$ 63,320	\$ 63,320	\$ 41,852
Operating transfers out	<u>(19,529)</u>	<u>-</u>	<u>(19,529)</u>	<u>(221,900)</u>
<b>Net operating transfers</b>	<b>\$ (19,529)</b>	<b>\$ 63,320</b>	<b>\$ 43,791</b>	<b>\$ (180,048)</b>
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>\$ 30,662</b>	<b>\$ 30,662</b>	<b>\$ (18,281)</b>
<b>FUND EQUITY, BEGINNING OF YEAR</b>	<b>244,908</b>	<b>19,639</b>	<b>264,547</b>	<b>282,828</b>
<b>FUND EQUITY, END OF YEAR</b>	<b>\$ 244,908</b>	<b>\$ 50,301</b>	<b>\$ 295,209</b>	<b>\$ 264,547</b>

The accompanying notes are an integral part of these statements.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**  
(With comparative totals for the fiscal year ended June 30, 2002)

	INDIRECT COST FUND	COMPUTER SERVICES FUND	TOTALS	
			June 30, 2003	June 30, 2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 256	\$ (32,658)	\$ (32,402)	\$ 1,605
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	48,535	3,615	52,150	55,305
Change in assets & liabilities:				
(Increase) decrease in receivable - other	(2,982)	(5,600)	(8,582)	1,436
(Increase) decrease in due from other funds	26,660	(26,890)	(230)	(55,206)
(Increase) decrease in prepaid expenses	1,645	(2,787)	(1,142)	98
Increase (decrease) in accounts payable	112,482	-	112,482	339,407
Increase (decrease) in accrued expenses	6,649	-	6,649	(17,377)
Increase (decrease) in deferred revenue	-	1,000	1,000	-
Increase (decrease) in accrued leave	43,173	-	43,173	11,621
<b>NET CASH PROVIDED BY OPERATIONS</b>	<b>\$ 236,418</b>	<b>\$ (63,320)</b>	<b>\$ 173,098</b>	<b>\$ 336,889</b>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>				
Interest paid	\$ (256)	\$ -	\$ (256)	\$ (1,232)
Operating transfers from general fund	-	63,320	63,320	41,852
Operating transfers to general fund	(19,529)	-	(19,529)	(221,900)
<b>NET CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>	<b>\$ (19,785)</b>	<b>\$ 63,320</b>	<b>\$ 43,535</b>	<b>\$ (181,280)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	\$ (21,426)	\$ -	\$ (21,426)	\$ (39,284)
Sale of capital assets	-	-	-	213,342
Capital lease payments	(1,631)	-	(1,631)	(5,428)
<b>NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>\$ (23,057)</b>	<b>\$ -</b>	<b>\$ (23,057)</b>	<b>\$ 168,630</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	\$ 19,529	\$ -	\$ 19,529	\$ 20,615
<b>NET FLOWS FROM INVESTING ACTIVITIES</b>	<b>19,529</b>	<b>-</b>	<b>19,529</b>	<b>20,615</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 213,105</b>	<b>\$ -</b>	<b>\$ 213,105</b>	<b>\$ 344,854</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>1,051,470</b>	<b>-</b>	<b>1,051,470</b>	<b>706,616</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,264,575</b>	<b>\$ -</b>	<b>\$ 1,264,575</b>	<b>\$ 1,051,470</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Leased equipment returned to lessor	\$ 26,960	\$ -	\$ 26,960	\$ -
Accumulated depreciation related to leased equipment returned	(18,913)	-	(18,913)	-
Lease payable	(8,047)	-	(8,047)	-
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.

## **TRUST AND AGENCY FUNDS**

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**Trust and Agency funds are used to account for assets held by the Center in a trustee or custodial capacity.**

**The Pension Trust Fund is used to account for the resources, held in a trustee capacity, of the Center's money purchase pension plan. The Flexible Compensation Plan Fund, an agency fund, accounts for the funds withheld from employees' pay for the purposes of reimbursing them for uninsured medical costs and dependent care costs.**

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**COMBINING BALANCE SHEET - TRUST AND AGENCY FUNDS**  
**June 30, 2003**  
**(With comparative totals for the year ended June 30, 2002)**

	PENSION TRUST FUND	FLEXIBLE COMPENSATION PLAN - AGENCY FUND	TOTALS	
			June 30, 2003	June 30, 2002
<b>ASSETS</b>				
Investments	\$1,652,881	\$ -	\$ 1,652,881	\$ 1,314,789
Accounts receivable	136,242	-	136,242	7,354
Due from other funds	-	3,468	3,468	3,538
<b>TOTAL ASSETS</b>	<b>\$1,789,123</b>	<b>\$ 3,468</b>	<b>\$ 1,792,591</b>	<b>\$ 1,325,681</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 173,683	\$ -	\$ 173,683	\$ -
Reimbursement claims payable	-	3,468	3,468	3,538
<b>TOTAL LIABILITIES</b>	<b>\$ 173,683</b>	<b>\$ 3,468</b>	<b>\$ 177,151</b>	<b>\$ 3,538</b>
<b>FUND BALANCE</b>				
Reserved for participants' retirement	\$1,615,440	\$ -	\$ 1,615,440	\$ 1,322,143
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$1,789,123</b>	<b>\$ 3,468</b>	<b>\$ 1,792,591</b>	<b>\$ 1,325,681</b>

The accompanying notes are an integral part of these financial statements.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**FIDUCIARY FUND - MONEY PURCHASE PENSION & TRUST**  
**BALANCE SHEET**  
**JUNE 30, 2003**  
(With comparative totals at June 30, 2002)

<b>ASSETS</b>	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Investments, at fair value:		
Money market funds	\$ 151,444	\$ 149,366
Commingled stock and bond funds	382,971	153,071
Common stocks	587,807	526,092
Bonds	530,658	486,259
Limited partnership interest	<u>1</u>	<u>1</u>
<b>Total Investments</b>	<b><u>\$ 1,652,881</u></b>	<b><u>\$ 1,314,789</u></b>
<b>Accounts receivable</b>	<b><u>\$ 136,242</u></b>	<b><u>\$ 7,567</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,789,123</u></b>	<b><u>\$ 1,322,356</u></b>
 <b>LIABILITIES</b>		
<b>Accounts payable</b>	<b><u>\$ 173,683</u></b>	<b><u>\$ -</u></b>
 <b>FUND BALANCE</b>		
<b>Reserved for participants' retirement</b>	<b><u>\$ 1,615,440</u></b>	<b><u>\$ 1,322,356</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 1,789,123</u></b>	<b><u>\$ 1,322,356</u></b>

The accompanying are an integral part of these financial statements.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**FIDUCIARY FUND - MONEY PURCHASE PENSION & TRUST**  
**STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**  
**(With comparative totals for the fiscal year ended June 30, 2002)**

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
<b>ADDITIONS:</b>		
Employer contributions	\$ 234,770	\$ 166,025
Investment income:		
Net appreciation (depreciation) in fair value of investments	26,918	(98,621)
Interest	19,215	19,489
Dividends	12,181	8,649
<b>Total Additions</b>	<u>\$ 293,084</u>	<u>\$ 95,542</u>
<b>DEDUCTIONS:</b>		
Payments to participants	<u>\$ -</u>	<u>\$ 4,677</u>
<b>NET INCREASE</b>	<u>\$ 293,084</u>	<u>\$ 90,865</u>
<b>NET ASSETS HELD IN TRUST, BEGINNING OF YEAR</b>	<u>1,322,356</u>	<u>1,231,491</u>
<b>NET ASSETS HELD IN TRUST, END OF YEAR</b>	<u><u>\$ 1,615,440</u></u>	<u><u>\$ 1,322,356</u></u>

The accompanying notes are an integral part of these financial statements.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
FLEXIBLE COMPENSATION PLAN  
AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>BALANCE July 1, 2002</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE June 30, 2003</u>
<b>ASSETS</b>				
Due from other funds	<u>\$ 3,538</u>	<u>\$36,038</u>	<u>\$ 36,108</u>	<u>\$ 3,468</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,538</u></u>	<u><u>\$36,038</u></u>	<u><u>\$ 36,108</u></u>	<u><u>\$ 3,468</u></u>
<b>LIABILITIES</b>				
Reimbursement claims payable	<u>\$ 3,538</u>	<u>\$36,038</u>	<u>\$ 36,108</u>	<u>\$ 3,468</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 3,538</u></u>	<u><u>\$36,038</u></u>	<u><u>\$ 36,108</u></u>	<u><u>\$ 3,468</u></u>

The accompanying notes are an integral part of these financial statements.

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# **SUPPLEMENTAL SCHEDULES**

CENTRAL SAVANNAH RIVER REGIONAL DEVELOPMENT CENTER  
COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	GENERAL FUND			SPECIAL REVENUE FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>						
LOCAL GOVERNMENT DUES	\$ 322,867	\$ 322,867	\$ -	\$ -	\$ -	\$ -
GRANT CONTRACTS						
Federal	\$ -	\$ -	\$ -	\$ 4,910,972	\$ 4,899,221	\$ (11,751)
State	-	-	-	2,495,893	2,483,084	(12,809)
Other	-	-	-	531,778	784,766	252,988
OTHER REVENUES						
Sales and services	5,000	12,820	7,820	12,000	32,802	20,802
<b>TOTAL REVENUES</b>	<b>\$ 327,867</b>	<b>\$ 335,687</b>	<b>\$ 7,820</b>	<b>\$ 7,950,643</b>	<b>\$ 8,199,873</b>	<b>\$ 249,230</b>
<b>EXPENDITURES</b>						
Current:						
Aging services	\$ -	\$ -	\$ -	\$ 5,089,020	\$ 5,020,113	\$ 68,907
Regional transportation services	-	-	-	2,044,154	1,954,130	90,024
Planning and zoning services	-	-	-	367,201	498,739	(131,538)
Local government services	-	-	-	349,256	336,195	13,061
Economic development & information support	-	-	-	93,345	172,674	(79,329)
Local development companies	-	-	-	368,362	384,256	(15,894)
General services	34,290	33,008	1,282	-	-	-
<b>TOTAL DIRECT EXPENDITURES</b>	<b>\$ 34,290</b>	<b>\$ 33,008</b>	<b>\$ 1,282</b>	<b>\$ 8,311,338</b>	<b>\$ 8,366,107</b>	<b>\$ (54,769)</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 293,577</b>	<b>\$ 302,679</b>	<b>\$ 6,538</b>	<b>\$ (360,695)</b>	<b>\$ (166,234)</b>	<b>\$ 194,461</b>
<b>OTHER FINANCING SOURCES AND (USES)</b>						
Operating transfers in	\$ 49,897	\$ 74,842	\$ 24,945	\$ 385,793	\$ 246,667	\$ 139,126
Operating transfers out	(374,435)	(286,960)	87,475	(25,098)	(80,433)	55,335
Total Other Sources and (Uses)	\$ (324,538)	\$ (212,118)	\$ 112,420	\$ 360,695	\$ 166,234	\$ 194,461
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>\$ (30,961)</b>	<b>\$ 90,561</b>	<b>\$ 121,522</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>\$ 984,589</b>	<b>\$ 984,589</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 953,628</b>	<b>\$ 1,075,150</b>	<b>\$ 121,522</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED  
EARNINGS - BUDGET AND ACTUAL  
INTERNAL SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 957,018	\$ 929,913	\$ (27,105)
Other income	<u>-</u>	<u>22</u>	<u>22</u>
<b>TOTAL REVENUES</b>	<u>\$ 957,018</u>	<u>\$ 929,935</u>	<u>\$ (27,083)</u>
<b>OPERATING EXPENSES</b>			
Cost of services	\$ 957,123	\$ 910,187	\$ (46,936)
Depreciation	<u>49,897</u>	<u>52,150</u>	<u>2,253</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 1,007,020</u>	<u>\$ 962,337</u>	<u>\$ (44,683)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ (50,002)</u>	<u>\$ (32,402)</u>	<u>\$ 17,600</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>			
Interest income	\$ 15,000	\$ 19,529	\$ 4,529
Interest expense	<u>-</u>	<u>(256)</u>	<u>(256)</u>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>\$ 15,000</u>	<u>\$ 19,273</u>	<u>\$ 4,273</u>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<u>\$ (35,002)</u>	<u>\$ (13,129)</u>	<u>\$ 21,873</u>
Operating transfers in	\$ 30,000	\$ 63,320	\$ 33,320
Operating transfers out	<u>-</u>	<u>(19,529)</u>	<u>(19,529)</u>
<b>Net operating transfers</b>	<u>\$ 30,000</u>	<u>\$ 43,791</u>	<u>\$ 13,791</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (5,002)</u>	<u>\$ 30,662</u>	<u>\$ 35,664</u>
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<u>142,091</u>	<u>139,877</u>	<u>(2,214)</u>
<b>RETAINED EARNINGS, END OF YEAR</b>	<u><u>\$ 137,089</u></u>	<u><u>\$ 170,539</u></u>	<u><u>\$ 33,450</u></u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES & EXPENDITURES BY ACTIVITY - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2003**  
(With comparative totals for the fiscal year ended June 30, 2002)

	AGING SERVICES		REGIONAL TRANSPORTATION SERVICES		PLANNING & ZONING SERVICES	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
<b>REVENUES</b>						
Federal grant / contract	\$ 2,665,432	\$ 2,677,603	\$ 2,017,821	\$ 1,934,456	\$ 121,377	\$ 203,604
State grant / contract	2,279,162	2,266,352	51,431	51,431	139,800	94,572
City, county, or other grant / contract	-	-	-	-	25,000	127,560
Program income	-	4,740	-	5,905	-	1,440
<b>TOTAL REVENUES</b>	<b>\$ 4,944,594</b>	<b>\$ 4,948,695</b>	<b>\$ 2,069,252</b>	<b>\$ 1,991,792</b>	<b>\$ 286,177</b>	<b>\$ 427,176</b>
<b>EXPENDITURES</b>						
Personal Services	\$ 794,505	\$ 739,997	\$ 42,515	\$ 40,824	\$ 177,424	\$ 166,125
Travel	20,000	14,097	1,000	626	3,500	2,779
Contracts	3,818,112	3,810,605	1,934,252	1,870,890	-	201,467
All other operating costs	56,739	72,806	45,000	20,562	97,027	41,955
Cost allocation plan	399,664	382,608	21,387	21,228	89,250	86,413
Equipment	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,089,020</b>	<b>\$ 5,020,113</b>	<b>\$ 2,044,154</b>	<b>\$ 1,954,130</b>	<b>\$ 367,201</b>	<b>\$ 498,739</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	\$ 144,426	\$ 71,428	\$ -	\$ -	\$ 81,024	\$ 71,563
Operating transfers out	-	(10)	(25,098)	(37,662)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 144,426</b>	<b>\$ 71,418</b>	<b>\$ (25,098)</b>	<b>\$ (37,662)</b>	<b>\$ 81,024</b>	<b>\$ 71,563</b>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Continued on next page.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES & EXPENDITURES BY ACTIVITY - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2003  
(With comparative totals for the fiscal year ended June 30, 2002)**

	LOCAL GOVERNMENT SERVICES		ECONOMIC DEVELOPMENT SUPPORT		LOCAL DEVELOPMENT COMPANIES	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
<b>REVENUES</b>						
Federal grant / contract	\$ 54,342	\$ 16,998	\$ 52,000	\$ 66,560	\$ -	\$ -
State grant / contract	25,500	31,001	-	39,728	-	-
City, county, or other grant / contract	133,272	235,759	5,144	37,191	368,362	384,256
Program income	12,000	9,820	-	10,897	-	-
<b>TOTAL REVENUES</b>	<b>\$ 225,114</b>	<b>\$ 293,578</b>	<b>\$ 57,144</b>	<b>\$ 154,376</b>	<b>\$ 368,362</b>	<b>\$ 384,256</b>
<b>EXPENDITURES</b>						
Personal Services	\$ 171,091	\$ 181,639	\$ 56,686	\$ 60,261	\$ 231,639	\$ 254,655
Travel	2,500	7,566	2,500	630	10,000	9,913
Contracts	34,042	9,229	-	15,680	-	-
All other operating costs	55,558	43,038	5,644	64,671	10,200	4,454
Cost allocation plan	86,065	94,723	28,515	31,432	116,523	115,234
Equipment	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 349,256</b>	<b>\$ 336,195</b>	<b>\$ 93,345</b>	<b>\$ 172,674</b>	<b>\$ 368,362</b>	<b>\$ 384,256</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	\$ 124,142	\$ 51,405	\$ 36,201	\$ 52,271	\$ -	\$ -
Operating transfers out	-	(8,788)	-	(33,973)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 124,142</b>	<b>\$ 42,617</b>	<b>\$ 36,201</b>	<b>\$ 18,298</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES & EXPENDITURES BY ACTIVITY - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2003**  
**(With comparative totals for the fiscal year ended June 30, 2002)**

	6/30/2003 TOTALS BUDGET	ACTUAL	06/30/2002 ACTUAL
<b>REVENUES</b>			
Federal grant / contract	\$ 4,910,972	\$ 4,899,221	\$ 4,674,007
State grant / contract	2,495,893	2,483,084	2,541,892
City, county, or other grant / contract	531,778	784,766	547,677
Program income	12,000	32,802	34,190
<b>TOTAL REVENUES</b>	<b>\$ 7,950,643</b>	<b>\$ 8,199,873</b>	<b>\$ 7,797,766</b>
<b>EXPENDITURES</b>			
Personal Services	\$ 1,473,860	\$ 1,443,501	\$ 1,223,158
Travel	39,500	35,611	50,068
Contracts	5,786,406	5,907,871	5,854,237
All other operating costs	270,168	247,486	173,367
Cost allocation plan	741,404	731,638	731,061
Equipment	-	-	9,423
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,311,338</b>	<b>\$ 8,366,107</b>	<b>\$ 8,041,314</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ 385,793	\$ 246,667	\$ 327,954
Operating transfers out	(25,098)	(80,433)	(84,406)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 360,695</b>	<b>\$ 166,234</b>	<b>\$ 243,548</b>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
GEORGIA DEPT. OF HUMAN RESOURCES - MULTI-FUNDED AGING SERVICES CONTRACT  
#427-93-35079  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ 2,624,182	\$ 2,621,462	\$ (2,720)
State grant / contract	2,265,412	2,247,639	(17,773)
City, county, or other grant / contract	-	-	-
Program income	-	4,740	4,740
<b>TOTAL REVENUES</b>	<u>\$ 4,889,594</u>	<u>\$ 4,873,841</u>	<u>\$ (15,753)</u>
<b>EXPENDITURES</b>			
Personal Services	\$ 794,505	\$ 739,996	\$ 54,509
Travel	20,000	14,098	5,902
Contracts	3,763,112	3,735,750	27,362
Other operating costs	56,739	72,808	(16,069)
Cost allocation plan	399,664	382,607	17,057
<b>TOTAL EXPENDITURES</b>	<u>\$ 5,034,020</u>	<u>\$ 4,945,259</u>	<u>\$ 88,761</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ 144,426	\$ 71,428	\$ (72,998)
Operating transfers out	-	(10)	(10)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 144,426</u>	<u>\$ 71,418</u>	<u>\$ (73,008)</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
GEORGIA DEPT. OF HUMAN RESOURCES - SELF DIRECTED CARE  
#427-93-25864  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ 30,400	\$ 30,400	\$ -
State grant / contract	10,133	10,133	-
City, county, or other grant / contract	-	-	-
Program income	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 40,533</u>	<u>\$ 40,533</u>	<u>\$ -</u>
<b>EXPENDITURES</b>			
Personal Services	\$ -	\$ -	\$ -
Travel	-	-	-
Contracts	40,533	40,533	-
Other operating costs	-	-	-
Cost allocation plan	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 40,533</u>	<u>\$ 40,533</u>	<u>\$ -</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
GEORGIA DEPT. OF HUMAN RESOURCES - SELF DIRECTED CARE  
#427-93-36089  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ 10,850	\$ 25,741	\$ 14,891
State grant / contract	3,617	8,581	4,964
City, county, or other grant / contract	-	-	-
Program income	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 14,467</u>	<u>\$ 34,322</u>	<u>\$ 19,855</u>
<b>EXPENDITURES</b>			
Personal Services	\$ -	\$ -	\$ -
Travel	-	-	-
Contracts	14,467	34,322	(19,855)
Other operating costs	-	-	-
Cost allocation plan	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 14,467</u>	<u>\$ 34,322</u>	<u>\$ (19,855)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**GEORGIA DEPT. OF HUMAN RESOURCES - COORDINATED TRANSPORTATION SELF DIRECTED**  
**#427-93-35320**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ 2,017,821	\$ 1,934,456	\$ (83,365)
State grant / contract	51,431	51,431	-
City, county, or other grant / contract	-	-	-
Program income	-	5,905	5,905
<b>TOTAL REVENUES</b>	<u>\$ 2,069,252</u>	<u>\$ 1,991,792</u>	<u>\$ (77,460)</u>
<b>EXPENDITURES</b>			
Personal Services	\$ 42,515	\$ 40,823	\$ 1,692
Travel	1,000	626	374
Contracts	1,934,252	1,870,890	63,362
Other operating costs	45,000	20,562	24,438
Cost allocation plan	21,387	21,228	159
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,044,154</u>	<u>\$ 1,954,129</u>	<u>\$ 90,025</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	(25,098)	(37,663)	(12,565)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ (25,098)</u>	<u>\$ (37,663)</u>	<u>\$ (12,565)</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**U.S. DEPT. COMMERCE EDA 301(B) PLANNING GRANT**  
**#048305060-01**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ 52,000	\$ 66,560	\$ 14,560
State grant / contract	-	-	-
City, county, or other grant / contract	-	-	-
Program income	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 52,000</u>	<u>\$ 66,560</u>	<u>\$ 14,560</u>
<b>EXPENDITURES</b>			
Personal Services	\$ 56,686	\$ 56,514	\$ 172
Travel	2,500	520	1,980
Contracts	-	-	-
Other operating costs	500	2,635	(2,135)
Cost allocation plan	28,515	29,439	(924)
<b>TOTAL EXPENDITURES</b>	<u>\$ 88,201</u>	<u>\$ 89,108</u>	<u>\$ (907)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ 36,201	\$ 38,882	\$ 2,681
Operating transfers out	-	(16,334)	(16,334)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 36,201</u>	<u>\$ 22,548</u>	<u>\$ (13,653)</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
U.S. DEPT. OF AGRICULTURE  
RURAL BUSINESS OPPORTUNITY GRANT 11-21-580899839  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ -	\$ 90,278	\$ 90,278
State grant / contract	-	-	-
City, county, or other grant / contract	-	85,000	85,000
Program income	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ 175,278</u>	<u>\$ 175,278</u>
<b>EXPENDITURES</b>			
Personal Services	\$ -	\$ -	\$ -
Travel	-	-	-
Contracts	-	201,467	(201,467)
Other operating costs	-	10,330	(10,330)
Cost allocation plan	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 211,797</u>	<u>\$ (211,797)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ -	\$ 36,519	\$ 36,519
Operating transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -</u>	<u>\$ 36,519</u>	<u>\$ 36,519</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
GEORGIA DEPT. OF TRANSPORTATION - PLANNING AGREEMENT  
STP00-0000-00-498 / 484-330-3000  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ 121,377	\$ 103,374	\$ (18,003)
State grant / contract	-	-	-
City, county, or other grant / contract	-	-	-
Program income	-	1,440	1,440
<b>TOTAL REVENUES</b>	<u>\$ 121,377</u>	<u>\$ 104,814</u>	<u>\$ (16,563)</u>
<b>EXPENDITURES</b>			
Personal Services	\$ 58,275	\$ 50,952	\$ 7,323
Travel	1,000	671	329
Contracts	-	-	-
Other operating costs	63,132	53,482	9,650
Cost allocation plan	29,314	26,528	2,786
<b>TOTAL EXPENDITURES</b>	<u>\$ 151,721</u>	<u>\$ 131,633</u>	<u>\$ 20,088</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ 30,344	\$ 26,819	\$ (3,525)
Operating transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 30,344</u>	<u>\$ 26,819</u>	<u>\$ (3,525)</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
GEORGIA DEPT. OF NATURAL RESOURCES  
HISTORIC PRESERVATION  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ -	\$ -	\$ -
State grant / contract	17,000	17,000	-
City, county, or other grant / contract	-	-	-
Program income	-	600	600
<b>TOTAL REVENUES</b>	<u>\$ 17,000</u>	<u>\$ 17,600</u>	<u>\$ 600</u>
<b>EXPENDITURES</b>			
Personal Services	\$ 19,060	\$ 27,258	\$ (8,198)
Travel	500	806	(306)
Contracts	-	-	-
Other operating costs	-	542	(542)
Cost allocation plan	9,588	13,996	(4,408)
<b>TOTAL EXPENDITURES</b>	<u>\$ 29,148</u>	<u>\$ 42,602</u>	<u>\$ (13,454)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ 12,148	\$ 25,002	\$ 12,854
Operating transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 12,148</u>	<u>\$ 25,002</u>	<u>\$ 12,854</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
GEORGIA DEPT. OF NATURAL RESOURCES FY 2002 SECTION 106 GRANT  
OCONEE RIVER BASIN  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ -	\$ 9,334	\$ 9,334
State grant / contract	-	-	-
City, county, or other grant / contract	-	-	-
Program income	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ 9,334</u>	<u>\$ 9,334</u>
<b>EXPENDITURES</b>			
Personal Services	\$ -	\$ 6,147	\$ (6,147)
Travel	-	38	(38)
Contracts	-	-	-
Other operating costs	-	-	-
Cost allocation plan	-	3,149	(3,149)
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 9,334</u>	<u>\$ (9,334)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
GEORGIA DEPT. OF NATURAL RESOURCES FY 2003 SECTION 106 GRANT  
RICHMOND COUNTY WATERSHED ASSESSMENT ET AL  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ -	\$ 618	\$ 618
State grant / contract	-	-	-
City, county, or other grant / contract	-	-	-
Program income	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ 618</u>	<u>\$ 618</u>
<b>EXPENDITURES</b>			
Personal Services	\$ -	\$ 406	\$ (406)
Travel	-	-	-
Contracts	-	-	-
Other operating costs	-	-	-
Cost allocation plan	-	212	(212)
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 618</u>	<u>\$ (618)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
GEORGIA DEPT. OF COMMUNITY AFFAIRS - SOCIAL SERVICES BLOCK GRANT  
ENTERPRISE COMMUNITY 95-EC-R-8-100-2a  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ 54,342	\$ 16,998	\$ (37,344)
State grant / contract	-	-	-
City, county, or other grant / contract	-	-	-
Program income	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 54,342</u>	<u>\$ 16,998</u>	<u>\$ (37,344)</u>
<b>EXPENDITURES</b>			
Personal Services	\$ 15,248	\$ 5,069	\$ 10,179
Travel	-	38	(38)
Contracts	34,042	9,229	24,813
Other operating costs	-	3	(3)
Cost allocation plan	7,670	2,662	5,008
<b>TOTAL EXPENDITURES</b>	<u>\$ 56,960</u>	<u>\$ 17,001</u>	<u>\$ 39,959</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ 2,618	\$ 3	\$ (2,615)
Operating transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 2,618</u>	<u>\$ 3</u>	<u>\$ (2,615)</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
GEORGIA DEPT. OF COMMUNITY AFFAIRS  
FY 2003 SUPPORT CONTRACT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ -	\$ -	\$ -
State grant / contract	148,300	148,300	-
City, county, or other grant / contract	25,000	42,560	17,560
Program income	12,000	7,200	(4,800)
<b>TOTAL REVENUES</b>	<u>\$ 185,300</u>	<u>\$ 198,060</u>	<u>\$ 12,760</u>
<b>EXPENDITURES</b>			
Personal Services	\$ 146,012	\$ 122,853	\$ 23,159
Travel	2,500	2,958	(458)
Contracts	-	-	-
Other operating costs	33,895	33,628	267
Cost allocation plan	73,449	64,014	9,435
<b>TOTAL EXPENDITURES</b>	<u>\$ 255,856</u>	<u>\$ 223,453</u>	<u>\$ 32,403</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ 70,556	\$ 25,393	\$ (45,163)
Operating transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 70,556</u>	<u>\$ 25,393</u>	<u>\$ (45,163)</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
ADMINISTRATION OF CDBG CONTRACTS  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ -	\$ -	\$ -
State grant / contract	-	-	-
City, county, or other grant / contract	103,213	155,802	52,589
Program income	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 103,213</u>	<u>\$ 155,802</u>	<u>\$ 52,589</u>
<b>EXPENDITURES</b>			
Personal Services	\$ 67,339	\$ 98,616	\$ (31,277)
Travel	2,000	4,103	(2,103)
Contracts	-	-	-
Other operating costs	-	3,080	(3,080)
Cost allocation plan	33,874	51,513	(17,639)
<b>TOTAL EXPENDITURES</b>	<u>\$ 103,213</u>	<u>\$ 157,312</u>	<u>\$ (54,099)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ -	\$ 1,510	\$ 1,510
Operating transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -</u>	<u>\$ 1,510</u>	<u>\$ 1,510</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
TECHNICAL ASSISTANCE CONTRACTS  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ -	\$ -	\$ -
State grant / contract	-	-	-
City, county, or other grant / contract	35,203	117,148	81,945
Program income	-	2,898	2,898
<b>TOTAL REVENUES</b>	<u>\$ 35,203</u>	<u>\$ 120,046</u>	<u>\$ 84,843</u>
<b>EXPENDITURES</b>			
Personal Services	\$ 42,581	\$ 40,212	\$ 2,369
Travel	-	1,841	(1,841)
Contracts	-	14,680	(14,680)
Other operating costs	60,702	36,942	23,760
Cost allocation plan	21,420	21,056	364
<b>TOTAL EXPENDITURES</b>	<u>\$ 124,703</u>	<u>\$ 114,731</u>	<u>\$ 9,972</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ 89,500	\$ 21,111	\$ (68,389)
Operating transfers out	-	(26,426)	(26,426)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 89,500</u>	<u>\$ (5,315)</u>	<u>\$ (94,815)</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
ADMINISTRATION OF UNIFIED DEVELOPMENT COUNCIL  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ -	\$ -	\$ -
State grant / contract	-	-	-
City, county, or other grant / contract	-	-	-
Program income	-	10,019	10,019
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ 10,019</u>	<u>\$ 10,019</u>
<b>EXPENDITURES</b>			
Personal Services	\$ -	\$ -	\$ -
Travel	-	-	-
Contracts	-	1,000	(1,000)
Other operating costs	-	9,019	(9,019)
Cost allocation plan	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 10,019</u>	<u>\$ (10,019)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
ADMINISTRATION OF LOCAL DEVELOPMENT COMPANIES  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Federal grant / contract	\$ -	\$ -	\$ -
State grant / contract	-	-	-
City, county, or other grant / contract	368,362	384,256	15,894
Program income	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 368,362</u>	<u>\$ 384,256</u>	<u>\$ 15,894</u>
<b>EXPENDITURES</b>			
Personal Services	\$ 231,639	\$ 254,655	\$ (23,016)
Travel	10,000	9,912	88
Contracts	-	-	-
Other operating costs	10,200	4,455	5,745
Cost allocation plan	116,523	115,234	1,289
<b>TOTAL EXPENDITURES</b>	<u>\$ 368,362</u>	<u>\$ 384,256</u>	<u>\$ (15,894)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<p align="center"><b>CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER</b>  <b>SCHEDULE OF CITY/COUNTY ASSESSMENTS</b>  <b>FOR THE FISCAL YEAR ENDED JUNE 30, 2003</b></p>
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GOVERNMENT		BAL DUE 06/30/2002	FY 2003 ASSESSMENTS BILLED	FY 2003 COLLECTIONS	BAL DUE 06/30/2003
Augusta	City of	\$ 29,886	\$ 107,350	\$ 111,412	\$ 25,824
Avera	City of	-	217	217	-
Bartow	City of	(292)	304	12	-
Blythe	City of	-	395	395	-
Camak	City of	-	165	165	-
Crawfordville	City of	-	572	-	572
Davisboro	City of	-	1,544	1,544	-
Dearing	City of	-	441	441	-
Deepstep	City of	-	132	132	-
Edge Hill	City of	-	30	30	-
Gibson	City of	-	694	694	-
Girard	City of	-	227	227	-
Grovetown	City of	-	4,567	4,567	-
Harlem	City of	-	1,361	1,361	-
Harrison	City of	-	509	509	-
Hephzibah	City of	-	2,134	2,134	-
Hilltonia	City of	-	421	421	-
Keysville	City of	-	180	180	-
Lincolnton	City of	-	1,595	1,595	-
Louisville	City of	-	2,712	2,712	-
Midville	City of	-	457	457	-
Millen	City of	-	3,492	3,492	-
Mitchell	City of	-	173	173	-
Newington	City of	-	322	322	-
Norwood	City of	-	299	299	-
Oconee	City of	-	280	280	-
Oliver	City of	-	253	-	253
Rayle	City of	-	139	139	-
Riddleville	City of	-	124	124	-
Rocky Ford	City of	-	186	186	-
Sandersville	City of	-	6,144	6,144	-
Sardis	City of	-	1,171	1,171	-
Sharon	City of	-	105	105	-
Sparta	City of	-	1,522	-	1,522
Stapleton	City of	-	318	318	-
Sylvania	City of	-	2,675	2,675	-

<p align="center"><b>CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER</b>  <b>SCHEDULE OF CITY/COUNTY ASSESSMENTS</b>  <b>FOR THE FISCAL YEAR ENDED JUNE 30, 2003</b></p>
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GOVERNMENT		BAL DUE 06/30/2002	FY 2003 ASSESSMENTS BILLED	FY 2003 COLLECTIONS	BAL DUE 06/30/2003
Tennille	City of	-	1,505	1,505	-
Thomson	City of	-	6,828	6,828	-
Tignall	City of	-	653	653	-
Vidette	City of	-	112	112	-
Wadley	City of	-	2,088	2,088	-
Warrenton	City of	-	2,013	2,013	-
Washington	City of	-	4,295	4,295	-
Waynesboro	City of	-	5,813	5,813	-
Wrens	City of	-	2,314	2,314	-
Burke	County	-	14,288	14,288	-
Columbia	County	-	61,039	61,039	-
Glascocock	County	-	1,659	1,659	-
Hancock	County	-	8,554	8,554	-
Jefferson	County	-	9,384	9,384	-
Jenkins	County	-	5,083	5,083	-
Lincoln	County	-	6,753	6,753	-
McDuffie	County	-	13,962	13,962	-
Screven	County	-	11,517	11,517	-
Talaiferro	County	-	1,400	1,400	-
Warren	County	-	3,859	3,859	-
Washington	County	-	10,938	10,938	-
Wilkes	County	-	5,600	5,600	-
		<u>\$ 29,594</u>	<u>\$ 322,867</u>	<u>\$ 324,290</u>	<u>\$ 28,171</u>

Each member municipality and county pays dues for membership at various rates based on its population. Those members whose population is less than 70,000 pay \$1.00 per capita, those member whose population is greater than 70,000 but less than 190,000 pay \$.75 per capita, and those whose populations are greater than 189,999 pay \$.55 per capita. The population amount for each member is based on the 2000 census data.



**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**SCHEDULE OF INDIRECT COST - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Salaries	\$ 301,441	\$ 313,634	\$ (12,193)
Fringe benefits	135,520	137,343	(1,823)
Travel	6,000	4,367	1,633
Supplies	56,725	53,460	3,265
Professional fees	32,000	33,578	(1,578)
Telecommunications	32,520	31,027	1,493
Maintenance & upkeep - equipment & building	16,660	14,380	2,280
Utilities	15,750	13,514	2,236
Insurance	15,297	16,201	(904)
Dues, subscriptions, & publications	3,100	5,997	(2,897)
Rentals - other than real estate	4,000	11,328	(7,328)
Rentals - real estate	90,787	80,919	9,868
Motor vehicle expense	10,250	8,360	1,890
Postage and freight	15,500	12,165	3,335
Conferences and seminars	4,500	2,236	2,264
Staff recruiting	2,000	1,653	347
Interest	682	256	426
Depreciation	49,897	48,535	1,362
Total Indirect Cost	\$ <u>792,629</u>	\$ <u>788,953</u>	\$ <u>3,676</u>

**COMPUTATION OF INDIRECT COST RATES**

Allocation base = direct personal salaries	\$ <u>1,081,335</u>	\$ <u>1,083,599</u>	\$ <u>(2,264)</u>
Indirect Cost Rate	<u>73.30%</u>	<u>72.81%</u>	<u>(0.49%)</u>

<p align="center"><b>CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER</b>  <b>SCHEDULE OF FRINGE BENEFITS - BUDGET AND ACTUAL</b>  <b>FOR THE FISCAL YEAR ENDED JUNE 30, 2003</b></p>
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	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>FRINGE BENEFITS</b>			
Contributions to pension trust	\$ 234,696	\$ 234,770	\$ (74)
Payroll taxes	37,552	34,868	2,684
Group insurance	134,195	98,901	35,294
Workers compensation	4,552	4,830	(278)
Other	31,199	28,636	2,563
Annual leave earned	124,232	127,539	(3,307)
Sick leave used	-	22,249	(22,249)
Holiday leave used	57,589	53,173	4,416
Other leave used	-	2,434	(2,434)
<b>TOTAL FRINGE BENEFITS</b>	<b>\$ <u>624,015</u></b>	<b>\$ <u>607,400</u></b>	<b>\$ <u>16,615</u></b>

**COMPUTATION OF EMPLOYEE BENEFIT RATE**

Allocation base - salaries	\$ <u>1,382,776</u>	\$ <u>1,397,233</u>	\$ <u>(14,457)</u>
<b>EMPLOYEE BENEFIT RATE</b>	<b><u>45.13%</u></b>	<b><u>43.47%</u></b>	<b><u>(1.66%)</u></b>

<p style="text-align: center;"><b>CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER</b> <b>NOTE TO SUPPLEMENTAL SCHEDULES</b> June 30, 2003</p>
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**BUDGETS**

As the Center has no taxing or oversight authority, the budgetary process is not one, which culminates in an appropriation bill or an ordinance enacted into law. In this respect, the budget for the Center is *not a legally adopted budget* as defined in Governmental Accounting and Financial Reporting Standards. The Center's annual budget is a management tool that assists its users in analyzing financial activity during the fiscal year. The Center's primary funding sources are federal, state and local grants, which have grant periods that may or may not coincide with the Center's fiscal year. These grants normally are for a twelve-month period; however, they can be awarded for periods shorter or longer than twelve months.

Because of the Center's dependency on federal, state, and local budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. Therefore the Center's annual budget differs from that of local governments in two major respects: (1) the uncertain nature of grant awards from other entities and (2) conversion of grant budgets to a fiscal year basis. The resultant annual budget is subject to constant change during the fiscal year due to:

- ♦ Increases/decreases in actual grant awards from those estimated;
- ♦ Changes in grant periods;
- ♦ Unanticipated grant awards not included in the budget; and
- ♦ Expected grant awards, which fail to materialize.

The Board of Directors formally approves an annual budget and work program for the Center. However, as the Center has no taxing or oversight authority, the budgetary process is not one, which culminates in an appropriation bill or an ordinance enacted into law. In this respect, the budget for the Center is *not a legally adopted budget*. Therefore a statement of revenues and expenditures – budget to actual has not been included as part of the general-purpose financial statements. Budgets are adopted for the general fund, special revenue fund, and internal service funds on a basis consistent with generally accepted governmental accounting principles.

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# **STATISTICAL SECTION**

**(UNAUDITED)**

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**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**REVENUES BY SOURCE AND NOTE PROCEEDS**  
(Unaudited)

	FISCAL YEAR	MEMBER ASSESSMENTS	CONTRACTS AND OTHER REVENUES	FED GRANTS	STATE GRANTS	NOTE PROCEEDS	CHARGE FOR SERVICES	IN-KIND	TOTAL
103	1993	\$ 192,984	\$ 231,093	\$ 1,688,437	\$ 657,241	\$ 35,000	\$ 244,907	\$ -	\$ 3,049,662
	1994	\$ 277,522	\$ 299,551	\$ 2,025,916	\$ 741,571	\$ -	\$ 296,023	\$ 14,819	\$ 3,655,402
	1995	\$ 277,522	\$ 390,858	\$ 2,191,888	\$ 1,077,355	\$ -	\$ 293,252	\$ 26,580	\$ 4,257,455
	1996	\$ 277,522	\$ 400,450	\$ 2,365,122	\$ 1,123,661	\$ -	\$ 498,771	\$ 5,640	\$ 4,671,166
	1997	\$ 277,522	\$ 398,332	\$ 3,386,065	\$ 1,381,681	\$ -	\$ 545,850	\$ -	\$ 5,989,450
	1998	\$ 272,381	\$ 388,685	\$ 3,214,711	\$ 1,533,465	\$ -	\$ 586,531	\$ -	\$ 5,995,773
	1999	\$ 277,522	\$ 387,453	\$ 3,063,604	\$ 1,687,774	\$ -	\$ 611,346	\$ -	\$ 6,027,699
	2000	\$ 312,727	\$ 450,160	\$ 2,812,503	\$ 1,899,748	\$ -	\$ 659,193	\$ -	\$ 6,134,331
	2001	\$ 312,727	\$ 544,281	\$ 2,740,963	\$ 2,144,500	\$ -	\$ 818,150	\$ -	\$ 6,560,621
	2002	\$ 322,786	\$ 608,581	\$ 4,674,007	\$ 2,541,892	\$ -	\$ 890,938	\$ -	\$ 9,038,204
	2003	\$ 322,867	\$ 847,270	\$ 4,899,221	\$ 2,483,084	\$ -	\$ 929,913	\$ -	\$ 9,482,355

**SOURCE:** The general, special revenue, internal service, and enterprise funds of the primary government.

<p align="center"><b>CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER</b>  <b>EXPENDITURES/EXPENSES BY COST CATEGORY</b>  (Unaudited)</p>
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FISCAL YEAR	PERSONNEL	OTHER EXPENDITURES/ EXPENSES	CAPITAL OUTLAYS*	DEBT SERVICE	DEPRECIATION	TOTAL
1993	\$ 648,939	\$ 2,102,211	\$ 95,295	\$ 24,186	\$ 20,082	\$ 2,890,713
1994	\$ 754,915	\$ 2,834,681	\$ -	\$ 8,252	\$ 36,700	\$ 3,634,548
1995	\$ 834,768	\$ 3,241,762	\$ 84,965	\$ 8,252	\$ 35,934	\$ 4,205,681
1996	\$ 869,770	\$ 3,644,217	\$ 54,776	\$ 8,252	\$ 31,578	\$ 4,608,593
1997	\$ 981,302	\$ 4,759,618	\$ 43,251	\$ 8,252	\$ 34,318	\$ 5,826,741
1998	\$ 1,116,167	\$ 4,689,048	\$ 58,515	\$ 4,126	\$ 30,581	\$ 5,898,437
1999	\$ 1,059,166	\$ 4,829,007	\$ 35,904	\$ -	\$ 41,587	\$ 5,965,664
2000	\$ 1,180,506	\$ 4,835,845	\$ 9,797	\$ 2,185	\$ 34,207	\$ 6,062,540
2001	\$ 1,496,193	\$ 4,945,224	\$ 31,150	\$ 1,750	\$ 45,981	\$ 6,520,298
2002	\$ 1,696,673	\$ 7,219,738	\$ 9,423	\$ 1,232	\$ 55,305	\$ 8,982,371
2003	\$ 2,004,634	\$ 7,325,203	\$ -	\$ 256	\$ 52,150	\$ 9,382,243

**SOURCE:** The general, special revenue, internal service, and enterprise funds of the primary government.

\* - Does not include capital outlays of the internal service funds.



<p align="center"><b>CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER</b>  <b>SCHEDULE OF INSURANCE IN FORCE</b></p>
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NAME OF COMPANY	POLICY NUMBER	POLICY PERIOD		COVERAGE	DETAILS
FROM	TO				
Cincinnati Insurance	CAA5013461AWR	07/01/2003	07/01/2004	Commercial Automobile	\$500,000 Liability, \$100,000 Uninsured Motorist, \$250 deductible for comprehensive, \$250 deductible for comprehensive physical damage for each covered auto, \$500 deductible for collision physical damage for each covered auto, \$20,000 hired car physical damage. \$250 comp. and \$500 coll. deductible.
The StPaul	406 CF 4561	07/01/2003	07/01/2004	Employee dishonesty - Coverage of all employees in any position (Payable jointly to the State of GA Dept. of Human Resources).	Limit of coverage is \$800,000 with a deductible amount of \$7,500.
Cincinnati Insurance	BOP1603908	07/01/2003	07/01/2006	Fire, extended coverage, and liability	3023 Riverwatch Parkway, Suite A \$225,000 contents. \$1,000,000 business liability each occurrence, \$5,000 medical expenses to any one person. \$1,000,000 fire, explosion & water damage on any one occurrence. \$250 deductible property damage. \$50,000 Pension plan fiduciary dishonesty. Policy limit for data processing equipment, data and media increased to \$100,000 for any one occurrence.
Cincinnati Insurance	NPO - 8657931	07/01/2003	07/01/2004	Directors & Officers Liability	Claims made policy with a prior litigation date of 2/9/2000. \$1,000,000 limit with a policy limit of \$1,000,000 and a \$1,000 deductible. Coverage includes coverage for employee discrimination, sexual harassment, and breach of either an implied or actual employment contract.
Cincinnati Insurance	CCC4485354	07/01/2003	07/01/2004	Commerical Umbrella Liability	Increases basic policy limits to \$5,000,000 for underlying policies.
Cincinnati Insurance	WC 8922294-13	07/01/2003	07/01/2004	Worker's compensation	Employees-Medical expenses related to on-the-job injuries. \$100,000 each accident, \$100,000 each employee, and a \$500,000 policy limit.

<p align="center"><b>CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER</b>  <b>SCHEDULE OF INSURANCE IN FORCE</b></p>
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NAME OF COMPANY	POLICY NUMBER	POLICY PERIOD FROM	TO	COVERAGE	DETAILS
American Special Risk Insurance Services	AHJM031271	07/01/2003	07/01/2004	Professional Liability	Professional liability coverage for CSRA Regional Development Center and its component units with limits of \$1,000,000 each claim with \$1,000,000 annual aggregate and \$25,000 deductible. Prior acts coverage to 07/01/2001.
Provident	G-45727	1/1/94	Until Canceled	Employee life insurance	Three times annual earning effective upon completion of 1 year of service.
Provident	G-22708	3/1/91	Until Canceled	Long term disability	On the 91st day of being disabled, the employee is eligible to receive 60% of his monthly income up to \$5,000 per month.
United Healthcare	72523	01/01/2003	01/31/2004	Employees and family - Surgery, major medical, & hospitalization	Group HMO medical plan. Levels of coverage vary depending upon the employee's choice.
Humana	5173905	07/01/2001	Until Canceled	Employees and family - dental coverage	Group dental with 100% preventive services, 80% basis services, 50% major services, and \$1,500 orthodontic maximum. Deductible of \$25 and annual maximum of \$2,000.

**COMPONENT UNITS**

Cincinnati Insurance	B80-503349	10/17/2000	10/17/2003	Employee dishonesty coverage - Commercial blanket coverage Loss payee - Farmer's Home Administration	\$250,000
Cincinnati Insurance	CAP 501 90 68 AWR	10/17/2000	10/17/2003	Commercial general liability and office equipment	\$1,000,000 general liability each occurrence with an aggregate limit of \$1,000,000 and \$10,000 on property owned subject to a \$1,000 deductible
NADCO Management Liability Insurance Program	569-32-05	10/17/2002	10/17/2003	Director's & Officers' Liability	\$1,000,000 limit each policy year subject to a \$5,000 retention on a claims-made policy form.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER**  
**MISCELLANEOUS STATISTICAL DATA**  
(Unaudited)

**FORM OF MANAGEMENT:** Executive Committee - Executive Director

**ENABLING LEGISLATION:** Sections 50-8-30 through 50-8-46 of the  
Official Code of Georgia Annotated

**AREA OF RESPONSIBILITY:** 5,795 square miles, 14 counties,  
44 municipalities

**POPULATION OF COUNTIES IN THE CENTRAL SAVANNAH RIVER AREA**

	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>
Richmond	136,601	162,437	181,629	189,719	199,780
Columbia	13,423	22,327	40,188	66,031	89,288
Burke	20,596	18,255	19,349	20,579	22,248
McDuffie	12,627	15,276	18,546	20,119	21,231
Washington	18,903	17,480	18,842	19,112	21,176
Jefferson	17,468	17,174	18,403	19,594	17,256
Screven	14,919	12,591	14,043	13,842	15,374
Wilkes	10,961	10,184	10,951	10,597	10,687
Hancock	9,979	9,019	9,466	8,908	10,076
Jenkins	9,148	8,332	8,841	8,247	8,575
Lincoln	5,906	5,895	6,949	7,442	8,348
Warren	7,360	6,669	6,583	6,078	6,336
Glascock	2,672	2,280	2,382	2,357	2,556
Taliaferro	3,370	2,423	2,032	1,915	2,077
<b>Total</b>	<u><u>283,933</u></u>	<u><u>310,342</u></u>	<u><u>358,204</u></u>	<u><u>394,540</u></u>	<u><u>435,008</u></u>

SOURCE: Georgia Economic Profiles and CSRA Regional Development Center

**PRINCIPAL EMPLOYERS IN THE CENTRAL SAVANNAH RIVER AREA**

<u>COMPANY NAME</u>	<u>TYPE</u>	<u>COUNTY</u>	<u>EMPLOYMENT</u>
Medical College of Georgia	Service	Richmond	6,288
Fort Gordon (civilian)	Military	Richmond	4,981 *
Richmond School Board	Govt.	Richmond	4,500
University Hospital	Service	Richmond	3,400
Veterans Admin. Hospital	Service	Richmond	2,143
Dwight D. Eisenhower Hosp.	Service	Richmond	2,140 *
Gracewood State School & Hosp.	Service	Richmond	1,500
Columbia School Board	Govt.	Columbia	1,300
Augusta Regional Medical Center	Service	Richmond	1,100
Federal Paper Board Co.	Mfg.	Richmond	971
St. Joseph Hospital	Service	Richmond	900
E-Z-GO/ Div. Textron	Mfg.	Richmond	869
Thermal Ceramics	Mfg.	Richmond	846
President Baking Co.	Mfg.	Richmond	700
Thomson Company	Mfg.	McDuffie	700
Kendall Company	Mfg.	Richmond	632
Club Car	Mfg.	Columbia	600

\* - Total employment at Fort Gordon is approximately 19,000  
including civilian, military, and Eisenhower Hospital.

SOURCE: Georgia Economic Profiles and CSRA Regional Development Center

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
MISCELLANEOUS STATISTICAL DATA  
(Unaudited)**

**POST SECONDARY EDUCATION IN THE CENTRAL SAVANNAH RIVER AREA**

**ENROLLMENT**

Augusta State University	5,300
Augusta Technical College	3,100
Medical College of Georgia	2,279
East Georgia College	1,200
Paine College	708
Sandersville Technical Institute	500
Swainsboro Technical Institute	577

All of the institutions listed above are located in a CSRA county. The University of Georgia, Georgia Southern University, the University of South Carolina at Aiken, and Mercer University are located within 125 of miles of CSRA counties.

**COMMUNITY FACILITIES**

13 community hospitals with 2,588 beds  
1 military hospital  
2 federal hospitals  
32 nursing homes with 3,203 beds  
127 public schools  
33 private schools

SOURCE: Georgia Economic Profiles and CSRA Regional Development Center

# **SINGLE AUDIT SECTION**

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**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

GRANTOR / PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL REVENUES EXPENDED	PASS THROUGH TO SUB RECIPIENTS
<b>U. S. DEPARTMENT OF COMMERCE</b>				
Direct Programs:				
701B Planning	11.302	#04-83-05060	\$ 66,560	\$ -
Long-term Economic Deterioration Note A	11.307	N/A	-	-
Total U S. Department of Commerce			\$ 66,560	\$ -
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed Through Georgia Department of Human Resources (DHR):				
Special Programs for the Aging: Title III, Prt B: Grants for Support Services & Senior Centers Social Service Block Grant (Enterprise Communities)	93.044	427-93-35320	\$ 104,517	\$ 104,517
	93.667	427-93-35320	643,014	643,014
Federal Transit Administration	20.513	427-93-35320	53,682	53,682
Employment & Training Administration	17.253	427-93-35320	44,298	44,298
Temporary Assistance for Needy Families	93.558	427-93-35320	1,088,945	1,025,379
Special Programs for the Aging: Title III, Prt B: Grants for Support Services & Senior Centers	93.044	427-93-35079	573,916	409,880
Special Programs for the Aging: Title III, Prt C: Nutrition Services	93.045	427-93-35079	689,861	613,396
Special Programs for the Aging Title VII Chpt 3: Program for Prevention of Elder Abuse, Neglect, & Exploitation	93.041	427-93-35079	7,711	7,711
Special Programs for the Aging Title VII Chpt. 2: Long Term Care Ombudsman Services of Older Individuals	93.042	427-93-35079	14,634	14,634
Special Programs for the Aging Title IV: Training, Research & Discretionary Projects & Programs	93.048	427-93-35079	10,000	10,000
National Caregiver Support (III-E)	93.052	427-93-35079	184,800	168,894
National Caregiver Support (VI-C)	93.052	427-93-25864	30,400	30,400
National Caregiver Support (VI-C)	93.052	427-93-36089	25,741	25,741
Community Care Services Program	93.778	427-93-35079	905,042	681,054
Health Care Financing Research, Demonstrations, and Evaluations	93.779	427-93-35079	8,825	8,825
Services Promotion Services	93.043	427-93-35079	36,700	36,700
			\$ 4,422,086	\$ 3,878,125
Passed Through Georgia Department of Community Affairs (DCA):				
Social Service Block Grant (Enterprise Communities)	93.667	95-EC-R-8-100-2a	\$ 16,998	\$ -
Total Health and Human Services			\$ 4,439,084	\$ 3,878,125

Continued on next page.

**CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

GRANTOR / PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL REVENUES EXPENDED	PASS THROUGH TO SUB RECIPIENTS
<b>U. S. Department of Transportation</b>				
Passed Through Georgia Department of Transportation (GADOT):				
Highway Planning & Construction	20.205	STP 484 330 3000	\$ 103,374	\$ -
<b>Total Department of Transportation</b>			<u>\$ 103,374</u>	<u>\$ -</u>
<b>U. S. Department of Environmental Protection Agency</b>				
Passed Through Georgia Department of Natural Resources (GADNR):				
Water Quality Management Planning	66.454		\$ 9,952	\$ -
<b>Total Department of Environmental Protection Agency</b>			<u>\$ 9,952</u>	<u>\$ -</u>
<b>U. S. DEPARTMENT OF AGRICULTURE</b>				
Intermediary Relending Program, Note B	10.767	Not Assigned	\$ 330,000	\$ -
Rural Business Opportunity	10.773	11-21-580899839	90,278	-
Passed Through Georgia Department of Human Resources (DHR):				
Nutrition Program for the Elderly	10.570	427-93-35079	\$ 189,973	\$ 189,973
<b>Total Department of Agriculture</b>			<u>\$ 610,251</u>	<u>\$ 189,973</u>
<b>Total Federal Assistance</b>			<u><u>\$ 5,229,221</u></u>	<u><u>\$ 4,068,098</u></u>

Note A - The reporting entity received a \$1,000,000 grant in a prior year to capitalize a revolving loan fund. All of the funds have been lent and the funds continue to revolve as payments are received.

Note B - The reporting entity received loan proceeds of \$878,539 during FY 1993, \$121,461 during FY 1994, \$571,745 during FY 1995, and \$428,255 during FY 1996, for a total of \$2,000,000. On 7/31/99 the CSRA Rural Lending Authority (RLA) entered into an assumption agreement with Georgia Department of Community Affairs f/k/a GHFA Economic Financing Inc. (DCA) and Department of Agriculture, Rural Development (RD) conferring to the RLA the rights and obligations under the note dated 5/26/94. The principal balance of the note on 7/1/99 was \$1,918,935. And at this time \$1,487,500 of the principal remained to be drawn. The RLA received loan proceeds of \$1,239,000 during FY 1999 and \$248,500 during FY 2000. A fourth loan was obtained on December 13, 1999 in the amount of \$500,000. The RLA received loan proceeds of \$250,000 from this loan during FY 2000 and the \$250,000 balance in FY 2001. A fifth loan was obtained on June 26, 2001 in the amount of \$750,000. The RLA received loan proceeds of \$356,250 from this loan during FY 2002 and \$330,000 during FY 2003. Prior to July 1, 2002 \$568,213 principal was repaid relative to all the aforementioned loans. During FY 2003 \$131,193 of the principal was repaid. At June 30, 2003 \$4,405,778 remains outstanding.

Continued from previous page.



<p style="text-align: center;"><b>CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER</b> <b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b> <b>June 30, 2003</b></p>
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**(1) GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal assistance programs of the Central Savannah River Area Regional Development Center (the "RDC"). The RDC's reporting entity is defined in note 1 of to the RDC's general-purpose financial statements. Federal assistance received directly from federal or state agencies, as well as federal financial assistance passed through state agencies, are included on the schedule.

**(2) BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 2.B to the RDC's general-purpose financial statements.

**(3) RECONCILIATION TO GENERAL PURPOSE FINANCIAL STATEMENTS**

Total Federal grant and contract revenues from the COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- ALL GOVERNMENTAL FUND TYPES	<b>\$4,899,221</b>
Proceeds from U.S. Dept. of Agriculture, Rural Development loan see COMBINING STATEMENT OF CASH FLOWS – COMPONENT UNITS	<b><u>330,000</u></b>
Total Federal Revenues on the SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	<b><u>\$5,229,221</u></b>

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

To the Board of Directors  
Central Savannah River Area Regional Development Center  
Augusta, Georgia

We have audited the financial statements of the Central Savannah River Area Regional Development Center (the Center), as of June 30, 2003, and have issued our report thereon dated December 15, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is included as finding 2003-1.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weakness.

This report is intended for the information of the audit committee, management, others within the organization, member governments, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cleveland & Anderson  
Certified Public Accountants  
December 15, 2003

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# **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors  
Central Savannah River Area Regional Development Center  
Augusta, Georgia

## **Compliance**

We have audited the compliance of the Central Savannah River Area Regional Development Center (the Center) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2003. The Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Center's compliance with those requirements.

In our opinion, the Central Savannah River Area Regional Development Center complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003.

## **Internal Control over Compliance**

The management of the Central Savannah River Area Regional Development Center is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be a material weakness.

This report is intended for the information of the audit committee, management, others within the organization, member governments, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cleveland & Anderson  
Certified Public Accountants  
December 15, 2003

<p style="text-align: center;"><b>CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER</b> <b>SCHEDULE OF FINDINGS AND QUESTOINED COSTS</b> <b>June 30, 2003</b></p>
---

**I. Summary of Auditors' Results:**

1. The auditors' report expresses an unqualified opinion on the financial statements of the Central Savannah River Area Regional Development Center.
2. No material weaknesses relating to the internal control over financial reporting were identified.
3. No reportable conditions considered a material weakness were disclosed in the audit of the financial statements.
4. One instance of noncompliance material to the financial statements of the Central Savannah River Area Regional Development Center was disclosed during the audit.
5. No material weaknesses relating to the internal control over major programs were identified.
6. No reportable conditions not considered a material weakness were disclosed in the audit of the federal awards.
7. The auditors' report on compliance for the major federal award programs for the Central Savannah River Area Regional Development Center, expresses an unqualified opinion.
8. No audit findings required to be reported in accordance with Circular A-133, §510(a) were identified.
9. 10.667 - Intermediary Relending Program; 93.44, 93.45 - Aging Cluster; 93.558 - Temporary Assistance for Needy Families; 93.667 - Social Service Block Grant; and 93.778 - Medical Assistance Program were tested as major programs.
10. The threshold for distinguishing major programs was over \$300,000 of federal expenditures.
11. The Central Savannah River Area Regional Development Center qualifies as a low risk auditee.

**II. Findings Related to the Financial Statements:**

The audit disclosed one instance of noncompliance material to the financial statements. This finding is detailed as Finding 2003-01.

**III. Questioned Costs:**

1. There were no questioned costs for the year ended June 30, 2003.
2. There were no questioned costs for the prior year requiring follow-up.

<p style="text-align: center;"><b>CENTRAL SAVANNAH RIVER AREA REGIONAL DEVELOPMENT CENTER</b> <b>SCHEDULE OF FINDINGS AND QUESTOINED COSTS</b> <b>June 30, 2003</b></p>
---

**Finding 2003-1**

**Description of Condition:**

It was noted during the audit that the Center does not comply with state law, specifically, the Georgia Attorney General's Official Opinion 96-8 dated May 9, 1996.

**Cause of Condition:**

Under the Georgia Attorney General's Official Opinion 96-8, the [Center] lacks authority to abrogate its duty to be accountable for the nonprofit corporation (this being the component units of the Center). The Opinion refers to GASB 14, which established the standards under which the component units should be included with the financial statements of the Center. Under these standards, accountability exists if...the primary government appoints a voting majority of the nonprofit corporation's governing body and "it is able to impose its will on that organization." Although the Center reports the component units as part of the annual financial statements, the Board of Directors of the Center does not appoint any of the members of the component units. Also, due to management agreements established prior to Fiscal Year 2003 between the Center and the component units and the fact that the bylaws of the component units do not allow for the Center to appoint the majority of the component units' board, the Center does not meet the criteria established in Opinion 96-8 that gives the Center control of the component units and the ability to impose its will on the component units (See recommendations for criteria).

**Effect of Condition:**

The condition prevents the Center from imposing its will and control over the component units, creating the identity of the component units as separate entities beyond the control of the Center. The General Assembly of Georgia intended a regional development center to be accountable for the nonprofit corporations it created. As such, the Center does not comply with Opinion 96-8 with respect to having control and accountability over the component units.

**Recommendations:**

We recommend that the Center's Board of Directors take steps to establish control of the component units and establish at minimum one of the criteria necessary to impose its will on the component units. These criteria are: a) the ability to remove appointed members of the component units governing board; b) the ability to modify or approve the budget of the component unit; c) the ability to modify or approve rate or fee changes affecting revenues; d) the ability to veto, overrule, or modify the decisions (other than those in b and c) of the organization's governing body; e) the ability to appoint, hire, reassign, or dismiss those persons responsible for the day-to-day operations (management) of the component units.

**Response:**

We understand the problem and the boards of all the effected entities will be working with the appropriate State agencies in order to find an acceptable resolution to the issues.

**Auditors' Comments:**

We are aware that corrective action could cause one of the component units to be out of compliance with federal laws, specifically, new regulations released by the U.S. Small Business Administration with respect to its 504 and 7A Guaranteed Loan Programs.



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Since 1962  
**CENTRAL SAVANNAH RIVER AREA  
REGIONAL DEVELOPMENT CENTER**



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**For information on the Area Agency on Aging (AAA), a division of the CSRA  
Regional Development Center call 706.210.2018 or toll free 1-888-922-4464. Your  
“one call connection” for finding resources that help senior citizens.**